



Benjamin Vosloo

Partner
Insurance

Tel: +27 82 710 9640
Email: benjamin.vosloo@kpmg.co.za



Tanya Fourie

Senior Accountant
Insurance

Tel: +27 82 657 6716
Email: tanya.fourie@kpmg.co.za



Courtney Greve

Manager
Insurance

Tel: +27 76 237 8023
Email: courtney.greve@kpmg.co.za

Non-life insurance industry results analysis

The South African non-life insurance industry entered 2026 from a position of strength. Revenue growth, improved profitability and robust capital positions continue to demonstrate the resilience of the sector. However, in an environment marked by geopolitical uncertainty, cyber threats, climate-related events and changing customer expectations, success is no longer measured by financial metrics alone.

Our theme for this year, **presence with purpose**, challenges the industry to go beyond simply being present in the market. It is about using capital, expertise and innovation to protect livelihoods, build resilience and create meaningful value for customers. Whether through enhanced risk management, climate adaptation initiatives, digital innovation or more accessible insurance solutions, the opportunity is to transform our presence into lasting impact.

Economic environment

By the fourth quarter of 2025, the South African economy recorded its fifth consecutive quarter of growth. The positive showing in the fourth quarter helped push annual gross domestic product (GDP) up by 1.1% in 2025. This is the highest annual growth rate since 2022, when GDP increased by 2.1%.

Over the 2025 calendar year, the average inflation rate was 3.2%¹, down from the average of 4.4% recorded in 2024. South Africa also entered into an interest rate easing cycle, whereby interest rate cuts of 25 basis points were implemented in January 2025, March 2025, May 2025 and November 2025, which effectively reduced the prime interest rate from 11.25% to 10.25%.

Geopolitical risk has become a significant and growing threat to South Africa's non-life insurance industry, driven by increasing global conflicts, cyber threats, supply chain disruptions and economic volatility. Although many of these conflicts occur (red) outside South Africa, the country's integration into global trade networks and dependence on international reinsurance markets mean that insurers are not insulated from their effects. Disruptions in key trade routes such as the Strait of Hormuz, sanctions regimes and conflicts in the Middle East and Ukraine increased commodity prices, affected exchange rates, disrupted supply chains and reduced the availability of reinsurance capacity, and continue to do so.

These developments lead to higher claims costs, increased premiums and greater underwriting uncertainty across multiple classes of insurance, including marine, cargo, property and casualty lines.

Cyber risk is an emerging systemic concern, with growing fears in South Africa of a major cyber-induced internet outage, potentially resulting in a "Black Swan" event. Geopolitical conflicts increasingly involve cyber warfare, creating potential exposures for South Africa's financial services, port and energy infrastructures. Marine insurers are particularly vulnerable given that approximately 90% of South Africa's trade by volume is transported by sea, exposing insurers to higher war-risk costs, vessel delays, cargo losses and general average claim costs.

With this backdrop insurers will look to strengthen resilience through enhanced exposure mapping, reassessment of policy wording, reinsurance protection and sanctions compliance and proactive engagement with policyholders.

Geopolitical risks have shifted from a peripheral concern to a core strategic risk requiring ongoing monitoring and adaptation by South African non-life insurers.

South Africa's official unemployment rate remained high during 2025, averaging around 32.4%. The unemployment rate fluctuated across the quarters, ending off 2025 on a five-year low of 31.4% in the fourth quarter.



31.4%

South Africa's official unemployment rate (fourth quarter 2025)

¹ <https://www.statssa.gov.za/publications/P0141/CPIHistory.pdf>

According to the South African Police Service (SAPS), Release of Crime Stats: 3rd Quarter 2025/26 – Special Issue (February 2026), covering the period October to December 2025, reductions were recorded across several theft and robbery-related crime categories, with livestock theft decreasing nationally by 9.6%. While most affected provinces showed improvement, the Eastern Cape remains an area of concern. Theft out of or from motor vehicles also declined across all provinces by 6.9%. Robbery with aggravating circumstances, which includes trio crimes such as carjacking, robbery at residential premises and robbery at non-residential premises, also showed a notable improvement, decreasing by 13.8%. Carjackings declined nationally by 8.1%, however, increases were still recorded in the Free State and North-West provinces. Gauteng continued to report the highest number of incidents, particularly in areas such as Mamelodi East, Alexandra and Kempton Park. Despite the overall positive trend, robberies at residential and non-residential premises increased in the Northern Cape, highlighting the need for continued collaboration between SAPS, private security, community policing structures, business forums and civil society to strengthen safety measures.

The 2025 calendar year marked the first full year under South Africa's Government of National Unity (GNU), following the 2024 general elections. While the formation of the GNU initially boosted investor sentiment and business confidence, ongoing political disagreements within the coalition, fiscal policy disputes and broader policy uncertainty tempered optimism and highlighted the fragility of the governing arrangement. Concerns remain regarding fiscal sustainability, elevated sovereign debt levels and South Africa's ability to achieve the economic growth required to reduce unemployment and improve public finances.

Weak economic growth, high unemployment and infrastructure challenges may constrain premium growth, increase fraud and theft-related claims and place pressure on policyholder affordability and retention.

Despite these challenges, there have been encouraging developments, including continued progress in electricity sector reforms, sustained reduction in load-shedding compared to previous years, and ongoing implementation of logistics and transport reforms aimed at improving rail and port efficiency and increasing private sector participation. Improvements in electricity supply, logistics and transport infrastructure could support economic activity, strengthen insured asset values and create opportunities for insurance market expansion.

Infrastructure constraints, however, remain a risk and continue to affect economic activity, with persistent water supply disruptions in several municipalities, ageing water infrastructure, logistic bottlenecks and capacity constraints at local government level. Although inflation has moderated and interest rates have begun to ease, weak economic growth, high unemployment and infrastructure shortcomings continue to weigh on investor confidence and South Africa's long-term growth prospects.

Looking ahead, the 2026 local government elections are expected to introduce an additional layer of political uncertainty. Political parties within the GNU and outside the coalition are likely to intensify campaign efforts, which could heighten tensions within the governing alliance and potentially slow the pace of economic and structural reforms. The elections may also increase pressure for expanded public spend and social support measures, potentially complicating fiscal consolidation efforts. Conversely, increased electoral competition could incentivise improvements in service delivery, infrastructure investment and governance outcomes at municipal level.

For non-life insurers, the quality and reliability of municipal infrastructure, particularly water, roads and stormwater systems, are important drivers of property and engineering claims experience. Any delays in reform implementation or deterioration in municipal services could contribute to higher claims frequencies and catastrophe losses, while sustained infrastructure investment and improved governance could support a more favourable underwriting environment. The election outcome will be closely monitored by investors as an indicator of the GNU's durability and government's ability to maintain reform momentum.

South Africa's non-life insurance sector continues to maintain robust capital buffers, demonstrated by the median solvency capital requirement (SCR) ratio of 180%. This position is supported by prudent capital management, solid earnings retention and effective reinsurance arrangements. Notably, S&P Global Ratings (S&P) indicated that most rated South African insurers are well positioned to absorb the impact of a severe climate-related catastrophe expected to occur once in 250 years, highlighting the sector's overall resilience.

South Africa's non-life insurers continue to maintain healthy balance sheet positions, with the vast majority holding SCR coverage levels well in excess of the regulatory minimum requirement of 100%.

Dividend declarations increased significantly from R3.38 billion in 2024 to R7.64 billion in 2025, representing a 126% year-on-year increase. The increase was primarily driven by higher dividend declarations from several major insurers, including entities that did not declare dividends in the prior year. Overall, the level and consistency of dividend payments across the industry are indicative of sound capital positions and availability of distributable reserves. The ability of insurers to declare substantial dividends while continuing to operate within the regulatory framework suggests that capital resources generally remain sufficient to support policyholder obligations and ongoing business operations.

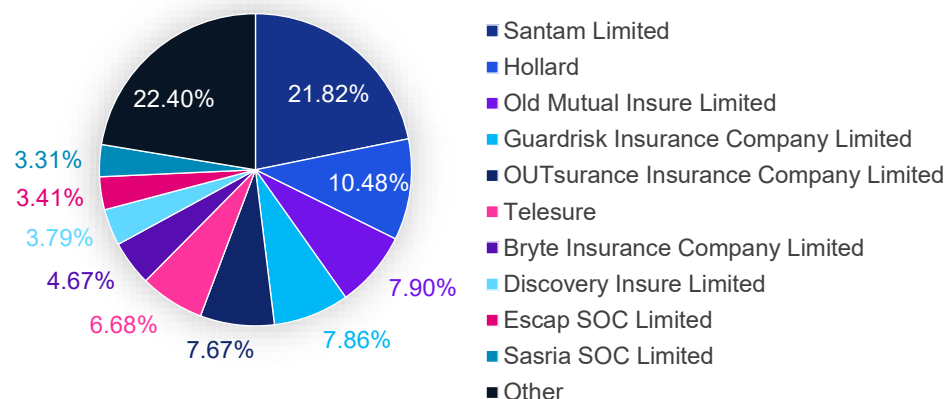
Market share

The South African insurance industry reported insurance revenue of R173.9 billion in 2025², representing growth of 8.5% (2024: 9.9%) compared to R160.3 billion reported in 2024. Even though the industry experienced a lower growth trajectory compared to the previous year, top-line growth remains sound. The lower growth rate reported for 2025 is largely aligned with the insurance component of consumer price inflation (CPI), where the average 2025 inflation rate of 7.8% for the sector was lower than the average of 8.2% recorded in 2024.

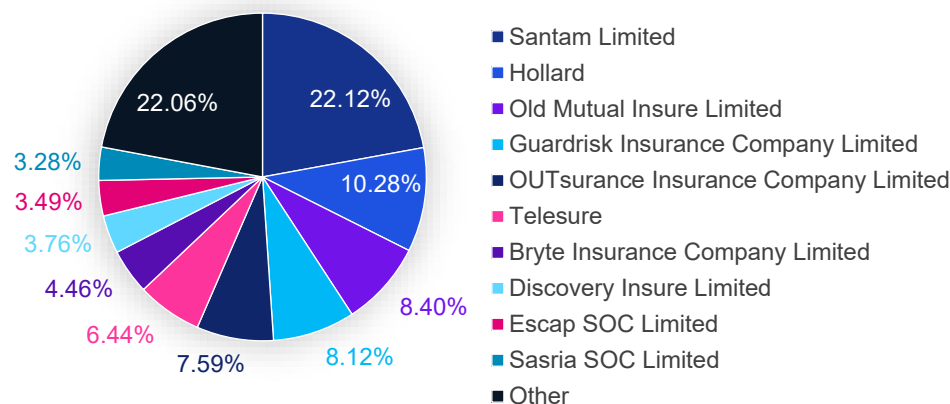
As reported by S&P, non-life premium growth over the next two years is expected to be slightly lower than the growth recorded in 2025 but aligned with nominal GDP growth. S&P further noted that continued pricing adjustments and broader market penetration are expected to support premium growth despite economic headwinds.

The top ten insurance companies for 2025 accounted for 78% (2024: 78%) of insurance revenue in respect of all non-life insurers participating in this year's survey.

Market share based on insurance revenue - 2025



Market share based on insurance revenue - 2024



The market share rankings of the top ten non-life insurers remained largely stable year-on-year. However, Discovery Insure Limited (Discovery Insure) entered the top ten in this year's survey as a new participant. Consequently, Absa Insurance Company Limited (Absa Insurance), which ranked tenth based on its share of insurance revenue in both 2025 and 2024, dropped out of the top ten ranking.

² The insurance revenue of the companies featured in this publication approximate 89% 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/content/dam/sarb/publications/reports/pa-annual-reports/2026/pa-ar.pdf.coredownload.inline.pdf>

Of the top ten insurers reflected on the previous page, 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 maintained its position as the leading non-life insurer in South Africa, with an estimated market share of 21.82% in 2025 based on insurance revenue. This was supported by robust financial performance during the year, with insurance revenue increasing by R2.5 billion (7%). The company attributed this growth to a combination of strategic execution and diversification initiatives. Santam's market-leading position underscores its presence and influence within the South African insurance sector. We include more detail on Santam's financial performance later in this article.

Hollard³

Insurance revenue increased by R1.7 billion or 11%, from R16.5 billion in 2024 to R18.2 billion in 2025. This result is primarily attributed to growth in Hollard Insure business revenue and management's focus on portfolio growth. In addition, Hollard benefited from an increase in its share of income from associates.

Looking ahead, in October 2025 GCR Ratings (GCR) affirmed The Hollard Insurance Company Limited's national scale financial strength rating of AA (ZA), with a stable outlook. In November 2025 S&P assigned a financial strength rating of A with a stable outlook to the same company.

In addition, effective 1 November 2025, the insurer officially acquired and integrated Lombard Broker Partners, Lombard Insurance Company Limited's (Lombard) commercial and non-life insurance division. While these developments are not reflected in the 2025 financial results analysed in this survey, it provides an early indication of the factors likely to influence future financial performance.

Telesure⁴

The Telesure Group also delivered solid revenue growth in 2025, with insurance revenue increasing from R10.3 billion to R11.6 billion, representing growth of 13%.

This increase reflects the Group's continued ability to generate sustainable growth in a highly competitive market, supported by the strength of its direct insurance model, well-established brands and customer-focused operating approach.

In particular, the following insurers within the Telesure Group contributed significantly to insurance revenue growth: Auto & General Insurance, Budget Insurance, Renasa and First for Women Insurance, which reported revenue growth of 14%, 14%, 15%, and 10% respectively.

Bryte Insurance Company Limited (Bryte)

Insurance revenue increased by R986 million, or 13.8%, from R7.1 billion to R8.1 billion. This growth was primarily driven by increases across the property, motor and other insurance lines, with property being the highest contributor.

OUTsurance Insurance Company Limited (OUTsurance)

OUTsurance increased insurance revenue by 9.7%, from R12.2 billion in 2024 to R13.3 billion in 2025. The company attributed this growth to new business generation and premium inflation.

In the personal insurance segment, normalised gross written premiums increased by 11.1%, supported by premium inflation and policy growth. The business insurance segment delivered gross written premium growth of 10.8%, driven by organic expansion in the OUTsurance broker channel and premium inflation.

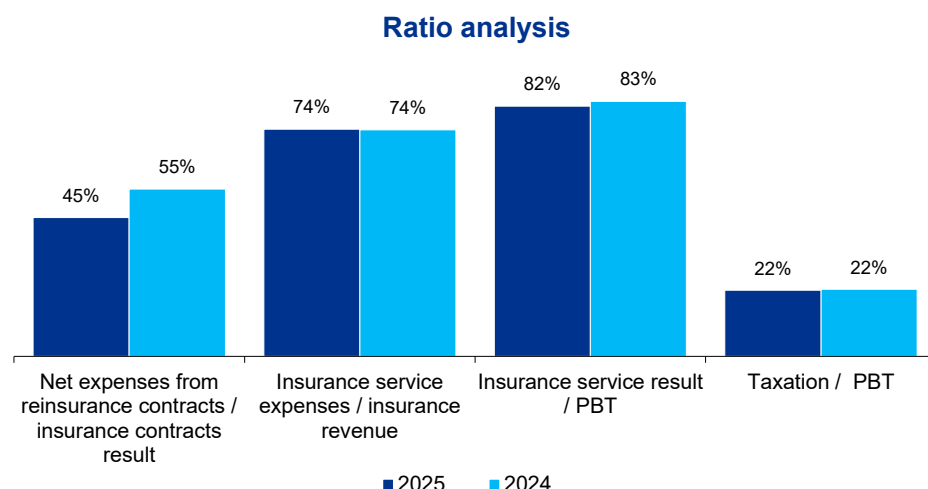
³ The Hollard Insurance Company Limited and Hollard Specialist Insurance Company Limited have been combined into Hollard.

⁴ Telesure includes Auto and General Insurance Company (RF) Limited (Auto and General Insurance), Budget Insurance Company (RF) Limited (Budget Insurance), Dial Direct Insurance (RF) Limited (Dial Direct Insurance), First for Women Insurance Company (RF) Limited (First for Women Insurance) and Renasa Insurance Company Limited (Renasa).

Profitability

Profit after tax (PAT) increased from R17.8 billion in 2024 to R23.7 billion in 2025. This represents a marked improvement, despite mounting geopolitical tensions, economic uncertainty and fierce competition.

The chart below reflects key ratios which contribute to the 2025 industry results.



Insurance service expenses as a percentage of insurance revenue remained consistent year-on-year. 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) decreased marginally to 82% (2024: 83%). This means that compared to 2024, a slightly lower proportion of PBT is attributable to the industry's core underwriting activity.

Claims incurred

The industry experienced a relatively benign year in respect of its exposure to large and attritional weather and motor claims. This experience is evident in a number of financial metrics. The insurance contract result (insurance revenue less insurance service expenses) increased by 7.4%, from R41.8 billion in 2024 to R45 billion in 2025. Net expenses from reinsurance contracts decreased and the insurance service result increased by 29.4%, from R19 billion in 2024 to R24.6 billion in 2025.

Reflecting on last year's non-life insurance industry results, we reported that 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. In addition, many primary insurers reported that portfolio actions were taken to correct non-performing books of business, while being more deliberate in risk selections. This, together with sustained positive claims experience, contributed to an improvement in the insurance service result across the industry.

Insurance service expenses as a percentage of insurance revenue, remained stable at 74% across 2024 and 2025. Insurers have, however, reported that the favourable claims environment experienced in 2025 and the last few years is not expected to persist following the increased risk of more frequent and severe extreme weather events.

Some normalisation has already been experienced in the first two months of 2026, with flooding in the northern part of South Africa and wildfires in the Western Cape. In addition, the Western Cape was hit with severe storms during May 2026, underscoring the growing financial and underwriting challenges posed by severe weather events in South Africa. With economic losses estimated at R9.1 billion, widespread flooding, significant infrastructure damage and major agricultural losses, the event is likely to be one of the more costly weather-related disasters affecting the province in recent years.

Santam reported that their underwriting performance for the period January 2026 to June 2026 was adversely impacted by catastrophe and other large losses, amounting to R1.5 billion over the period, net of reinsurance. These losses exceeded expectations when compared to the R144 million in claim losses incurred over the comparable 2025 financial period.

A notable outcome of the disaster is the call by the Minister of Agriculture for a public-private partnership model for agricultural insurance, moving away from reliance on post-disaster government relief. This could create opportunities for insurers to partner with government to improve resilience and expand insurance coverage in the agricultural sector. The Western Cape government's commitment to "build back stronger" also aligns with the insurance industry's growing focus on resilience, risk mitigation and climate adaptation. Investments in more resilient infrastructure could reduce future insured losses and improve long-term insurability.

On the horizon, there are the warning signs that El Niño conditions may be developing, marked by the warming of sea surface temperatures in the central and eastern Pacific Ocean. In Southern Africa, El Niño is typically associated with hotter and drier conditions during the summer rainfall season. The incidence of El Niño conditions developing may increase the risk of below-average rainfall and lower agricultural output in the season ahead. For the non-life insurance industry, this could mean higher drought-related losses. In addition, the drier vegetation and prolonged heat waves increase the probability of veld and wildfire events, causing higher property, commercial, forestry and agricultural insurance claims. There is also the risk of business interruption for agricultural producers, as well as food processors and other climate-dependent industries who may experience reduced production. The impact could have far-reaching implications for the broader economy, with the potential for rising food prices and economic strain. Additionally, higher inflation can increase the cost of repair or replacement of damaged assets, raise claims costs and put pressure on underwriting margins.

During 2025 and early into 2026, foot-and-mouth disease (FMD) significantly disrupted South Africa's agricultural sector. More than 24,000 cases were reported, resulting in restrictions in animal movement, the implementation of quarantine measures, livestock losses, reduced market access and widespread disruption across the agricultural value chain. Trade restrictions imposed by neighbouring countries reportedly contributed to a 26%, or approximately R2.6 billion, decline in beef exports, highlighting the material economic consequences of the outbreak. The severity of the outbreak ultimately led to FMD being classified as a national disaster in February 2026. For South Africa's non-life insurance industry, the outbreak highlighted both potential claims exposures and a significant protection gap. While agricultural and livestock policies may cover certain direct losses, including animal mortality or compulsory culling, cover remains highly dependent on policy terms, extensions and exclusions.

The wider financial consequences of an outbreak of this nature can be substantially greater, including production losses, ongoing feeding costs, reduced livestock values, disinfection and restocking costs and business interruption arising from restricted movements. Suppliers, processors and other businesses across the agricultural value chain may also suffer contingent business interruption losses. These exposures require insurers and reinsurers to assess livestock concentrations, geographic accumulations, biosecurity standards, traceability systems, government disease-control measures and the potential severity and duration of an outbreak.

The outbreak reinforced the need for commercially viable livestock mortality and business interruption solutions, supported, where appropriate, by index-based or parametric products, to help narrow the agricultural protection gap and strengthen sector resilience.

Cost of reinsurance

Net expenses from reinsurance contracts as a proportion of the insurance contract result decreased from 55% in 2024 to 45% in 2025. Of the 29 participating non-life insurers, ten reported a decrease in net expenses from reinsurance contracts. This is in line with expectations given the pricing correction initiatives and increased attachment points implemented by reinsurers over the last few years, as well as the lower incidence of catastrophe claims in recent years.

Key contributors to the overall decrease in net expenses from reinsurance contracts are Sasria SOC Limited (Sasria) and Lombard.

Sasria's net reinsurance costs decreased year-on-year, largely due to a new quota share reinsurance arrangement under which 20% (2024: 42.4%) of written premiums are ceded to reinsurers. For Sasria, the July 2021 unrest had a significant impact on its capital position, reducing reserves and utilising catastrophe reinsurance protection. While profitability improved in recent years due to lower claims experience, sustainable future growth is expected with the introduction of new profitable products, potential expansion of its mandate and continued state support.

Lombard's net reinsurance expense decreased by 92.7%, from R1 450.5 million in 2024 to R105.9 million for the year ended 30 June 2025. This, together with the sharp increase in gross insurance service expenses, indicates that higher reinsurance recoveries were likely a significant factor behind the decrease. Lombard's reliance on reinsurance is aligned with the nature of its specialist insurance portfolio, which includes construction, customs and fuel guarantees, mining rehabilitation guarantees, credit insurance and commercial insurance through specialist partnerships. These exposures can give rise to large individual losses, highlighting the importance of reinsurance recoveries in mitigating underwriting volatility.

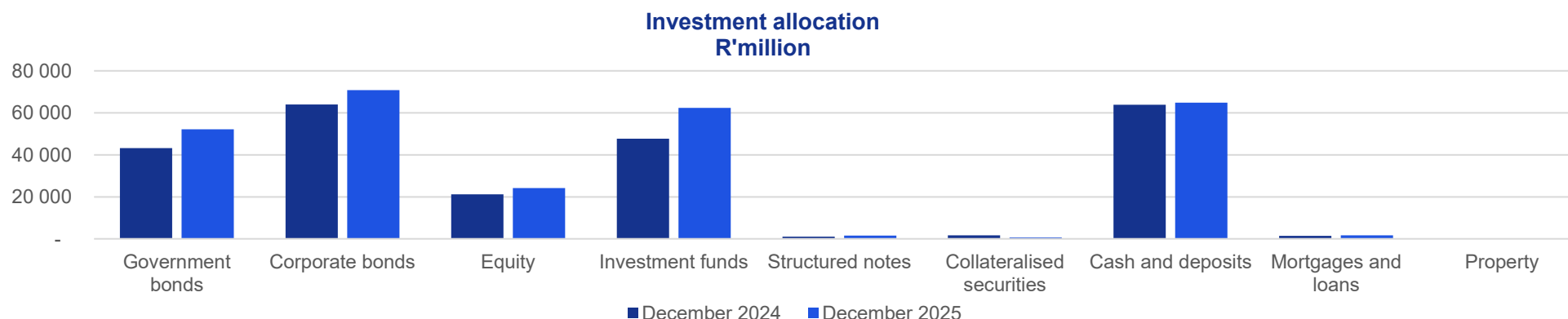
Investment income

Investment income continued to be a significant contributor to the 2025 financial results of the non-life insurance industry. While South Africa entered an interest rate easing cycle in 2025, interest rates remained elevated for most of the year, supporting high investment returns across the sector. Total net investment income increased by 23.5%, from R14.9 billion in 2024 to R18.5 billion in 2025, while the average return on investments earned by participating non-life insurers increased by 4.99% compared to the prior year.

The industry's investment performance was further supported by favourable returns from fixed-income portfolios and increased yields on investable assets. With the repo rate ranging between 7.25% and 8.25% for most of 2025, these conditions enhanced returns on government bonds, corporate debt securities and money market instruments, which form a significant portion of many non-life insurers' investment portfolios.

The Prudential Authority's December 2025 insurance sector data report notes that total investments⁵ held by non-life insurers increased by approximately 13%, from R244.7 billion in December 2024 to R278.6 billion in December 2025. This comprised non-life primary insurers, whose investments increased by 12.5%, from R164.0 billion to R184.5 billion; non-life cell captive insurers, who recorded an increase of 16.4%, from R48.6 billion to R56.6 billion; and non-life captive insurers, whose investments increased by 17.2%, from R32.0 billion to R37.6 billion.

Overall, investments increased across all asset classes, as reflected in the chart below. Government bond holdings increased by 20.5%, from R43.3 billion to R52.1 billion, corporate bond holdings increased by 10.7%, from R63.9 billion to R70.8 billion, and investment fund holdings increased by 30.9%, from R47.7 billion to R62.4 billion. These movements highlight the industry's increased exposure to government bonds, corporate bonds and investment funds across the non-life insurance sector during 2025, indicating a continued allocation of funds towards higher-yielding investment assets.



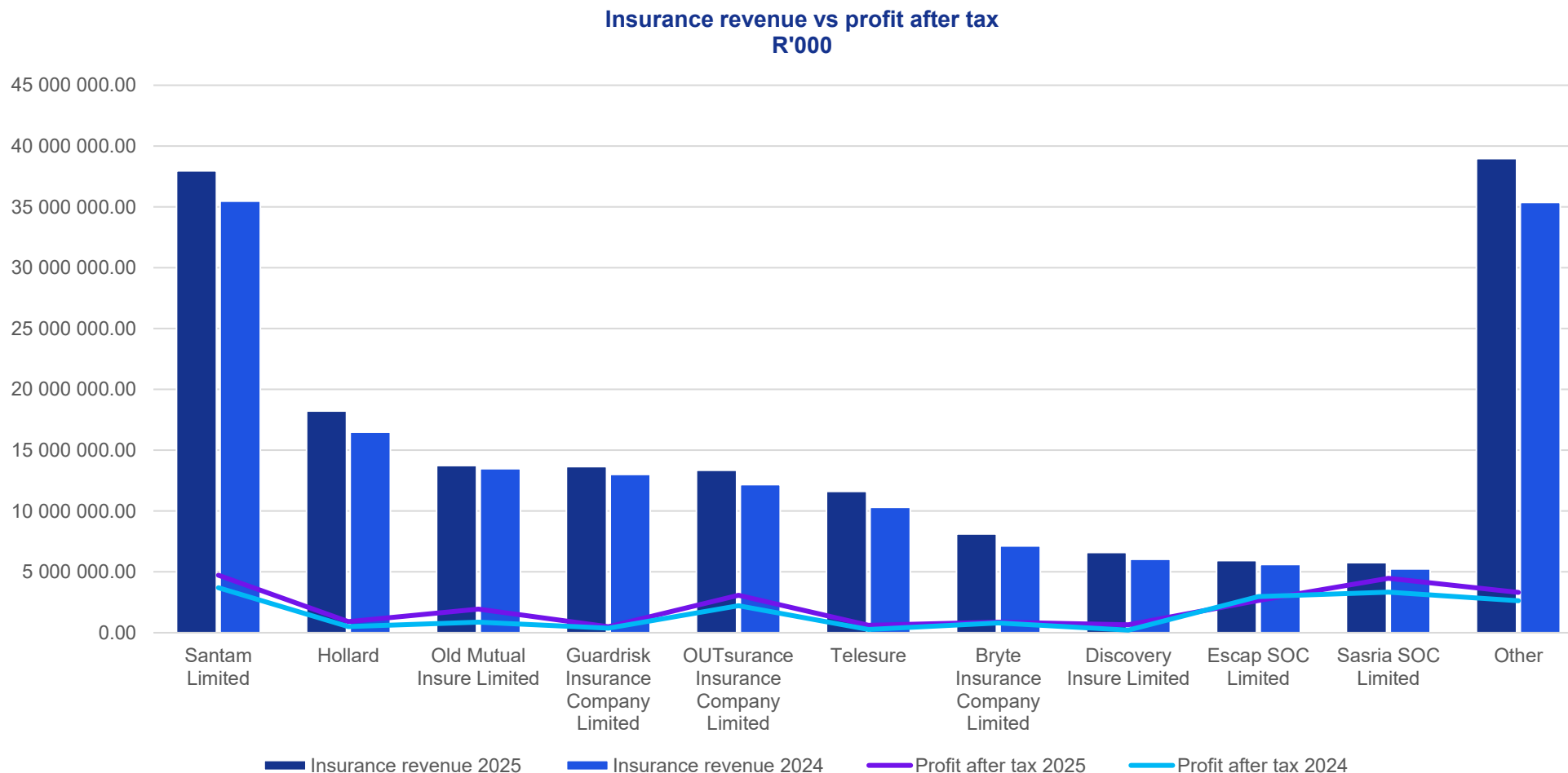
Equity market performance also supported investment growth, with the Johannesburg Stock Exchange (JSE) All Share Index recording a return of 42% in 2025.

Overall, several key trends emerged during the year. Higher interest income from fixed-income investments strengthened overall investment earnings, while healthy investment performance complemented underwriting results and contributed to improved profitability despite ongoing economic uncertainty and claims inflation pressures. In addition, diversified investment portfolios provided resilience, allowing insurers to benefit from exposure to cash, bonds, equities and alternative investments.

⁵ Measured based on the Prudential Standards issued in terms of the Insurance Act 18 of 2017, and not in terms of International Financial Reporting Standards (IFRS)

Individual performance

Reflected in the chart below is profit after tax (PAT) compared to insurance revenue for the ten largest non-life insurance companies (measured by insurance revenue contribution) over 2024 and 2025, along with the rest of the market labelled as “Other”.



PAT grew from R17.9 billion in 2024 to R23.7 billion in 2025, representing an increase of 33%. The top three highest contributors to the increase in PAT are Santam, Old Mutual Insure Limited (Old Mutual Insure) and Sasria, with Santam contributing R1 billion and Old Mutual Insure and Sasria contributing R1.1 billion each. Set out on the following pages is our analysis of those insurers with the highest Rand value contribution to PAT and insurers with the highest relative change in PAT.

Santam

Santam's PAT increased significantly from R3.7 billion to R4.7 billion, supported by robust insurance revenue growth, improved underwriting profitability and continued execution of its FutureFit 2030 strategy. Insurance revenue increased by R2.5 billion (7%), reflecting growth across key business segments through its diversification and expansion initiatives, including contributions from Miway Insurance Limited (Miway), strategic partnerships and the inclusion of the MultiChoice insurance book. The Group also reported favourable underwriting results, benefiting from corrective underwriting actions implemented over recent years, improved risk selection practices and disciplined portfolio management.

Claims experience was more favourable compared to prior periods, with lower levels of weather-related catastrophe losses contributing to profitability. Santam continued to strengthen its risk management capabilities through advanced data analytics, geocoding and geomapping initiatives, enabling more accurate risk assessment and pricing decisions. These measures enhanced portfolio resilience while supporting sustainable growth.

In addition, the favourable results reported by Santam Structured Reinsurance Limited PCC and Santam Specialist Business Limited supported the Group's strategic objective of expanding its presence beyond South Africa and increasing contributions from international operations.

Santam continues to advance its FutureFit 2030 strategy, which focuses on maintaining market leadership in the intermediary channel, growing its direct insurance footprint, expanding into underpenetrated market segments and leveraging digital technologies to enhance customer experience and operational efficiency. The successful execution of these strategic initiatives, together with underwriting discipline and growth across multiple distribution channels, positioned the Group to deliver another year of resilient financial performance and reinforce its position as South Africa's leading non-life insurer.

Old Mutual Insure

Old Mutual Insure's results were supported by a notable improvement in portfolio quality, enhanced claims experience and high investment returns. Its results demonstrate the continued effectiveness of its underwriting strategy, as well as ongoing focus on creating value for customers.

The insurer reported a significant increase in PAT, from R865 million to R1.9 billion, representing growth of 124.6%.

This improvement was primarily driven by a substantial increase in investment income, which grew from R673 million to R1.8 billion. A key contributor was the sustained organic expansion within Old Mutual Insure, supported by successful acquisitions, most notably ONE Financial Services Holdings Proprietary Limited, which contributed to the increase in investment income through a fair value uplift in the underlying investment.

Sasria

Sasria's recorded PAT of R4.5 billion for the 2025 financial year, which is 34% higher than the R3.3 billion reported in 2024. Following the severe impact of the July 2021 unrest, Sasria has made substantial progress in its recovery journey, further strengthening its capital base and financial position.

Sasria's equity position increased to R18.6 billion (2024: R14.1 billion), bringing it closer to its target of R30 billion in capital reserves by 2030, while maintaining consistent underwriting and investment performance. Insurance revenue increased to R5.8 billion, representing a 9.7% increase from the previous year's R5.3 billion. Sasria reported that while gross claims incurred increased to R666.3 million from R481.4 million in the previous year, the level remained manageable and within risk appetite, contributing to a positive underwriting result.

The insurer's insurance service result rose by 48.9% to R2.9 billion, up from R2.0 billion in the previous year. This increase was mainly due to net expenses from reinsurance contracts reducing to R592.2 million from R1.3 billion in 2024, representing a 55.4% decrease. Sasria attributed this decrease to a combination of lower reinsurance placement due to the hardened reinsurance market, and a revised quota share arrangement with a lower ceding rate of 20% compared to 42.4% in the prior year. Sasria also benefitted from their investment income delivering solid returns of R1.3 billion (2024: R1.0 billion), specifically related to favourable interest rate conditions and strategic asset allocations.

Sasria reported that, on the socio-political front, unrest continues to pose a significant risk. While mass protests were less frequent in 2024/25, incidents such as the Eastern Cape taxi protests in May 2024 and the National Student Financial Aid Scheme (NSFAS) protests at postsecondary institutions across South Africa, resulted in significant damage to university and college infrastructure leading to property damage and insurance claims. However, the peaceful national elections in May 2024 and the subsequent formation of a GNU bolstered investor confidence and opened new avenues for policy reform.

The state-owned insurer also reported progress towards an expanded mandate covering systemic risks, such as climate-related events and cyber threats in consultation with government and industry stakeholders, to better understand these opportunities. This expansion will diversify and allow delivery of a more comprehensive risk coverage for South Africa.

OUTsurance

OUTsurance increased PAT from R2.2 billion in 2024 to R3.1 billion in 2025 and reported growth in insurance revenue. Refer to the commentary provided in the market share section earlier in this article on the drivers of insurance revenue growth. Profitability improved with the insurance service expenses-to-insurance revenue ratio decreasing from 69% in 2024 to 63% in 2025. This improvement was largely driven by a lower claim ratio, which declined from 49.8% in 2024 to 44.6% in 2025. Claims experience benefited from benign natural peril activity and favourable trends in attritional losses.

Partially offsetting these positive developments was an increase in the combined cost-to-income ratio to 31.7% in 2025, compared to 27.9% in 2024, primarily attributable to higher share-based payment expenses. Net expenses from reinsurance contracts as a percentage of the insurance contract result reduced from 5% in 2024 to 4% in 2025. OUTsurance also benefited from higher investment income, supported by positive returns earned from its equity portfolio.

Discovery Insure

Discovery Insure delivered remarkable financial results for 2025, with PAT increasing significantly from R213 million in 2024 to R644 million in 2025. This growth was supported by robust revenue generation, disciplined underwriting and a continued focus on profitable expansion. Insurance revenue increased by approximately 9%, from R6.0 billion to R6.6 billion, while underwriting profit improved significantly over the year. The improvement in performance was further driven by strategic pricing actions, effective risk management and lower-than-expected weather-related claims costs, particularly during the winter and hail seasons. Moderate repair cost inflation also contributed positively to profitability.

Discovery Insure continued to invest in technology, innovation and value-added products while maintaining disciplined underwriting standards.

This was reflected in the insurance service result, which increased from R360 million in 2024 to R750 million in 2025.



Exxaro Insurance Company Limited (Exxaro)

Exxaro recorded a significant increase in insurance service expenses, from R51 million in 2024 to R912 million in 2025. The increase was primarily driven by a large loss at one of its mining operations, which resulted in a substantial insurance claim for Exxaro. This significant increase in insurance service expenses was the main contributor to the loss incurred in 2025, with Exxaro moving from a PAT of R343 million in 2024 to a loss after tax of R224 million in 2025.

King Price Insurance Company Limited (King Price)

Profit after tax increased by R225 million. Contributing to this increase is insurance revenue growth at 16.4%, from R3.72 billion in 2024 to R4.34 billion in 2025, and a 64% year-on-year increase in net investment income.

The insurance service expenses-to-insurance revenue ratio improved from 80% in 2024 to 74% in 2025. In addition, King Price benefitted from a decrease in net expenses from reinsurance contracts, which is reflected in the decrease in the net expenses from reinsurance contracts-to-insurance contract result ratio of 22% in 2024 to 12% in 2025.

Telesure

Telesure delivered favourable results in 2025, with insurance revenue increasing from R10.3 billion to R11.6 billion, representing growth of approximately 13% across its portfolio of brands. This performance reflects the Group's continued success in growing its direct insurance businesses, supported by sustained customer acquisition, brand diversification and disciplined underwriting practices.

The Group continued to sustain its presence in the South African non-life insurance market through its multi-brand strategy, enabling it to serve a broad range of customer segments.

Auto and General Insurance remained the largest contributor to the Group, while Budget Insurance, Dial Direct Insurance and First for Women Insurance continued to strengthen their respective market positions through targeted product offerings and customer-focused value propositions. Renasa also contributed to the Group's overall growth, profitability and diversification.

In addition, Telesure benefited from the favourable investment environment, supported by higher interest rates and improved returns on invested assets. The Group also maintained healthy capital and solvency positions across its insurance entities, providing a solid foundation for ongoing growth and resilience in a competitive operating environment.

Hollard

Profit after tax increased from R497.8 million in 2024 to R904.9 million in 2025. The increase in profitability was driven by revenue growth from R16.5 billion to R18.2 billion year-on-year, improved underwriting performance and higher investment returns. Despite ongoing economic and geopolitical challenges, Hollard remained focused on its core insurance operations and demonstrated operational discipline throughout the year.

PAT increase 2024 to 2025

Santam's	- R3.7 billion	➡	R4.7 billion
Old Mutual Insure	- R865 million	➡	R1.9 billion
Sasria	- R3.3 billion	➡	R4.5 billion
OUTsurance	- R2.2 billion	➡	R3.1 billion
Discovery Insure	- R213 million	➡	R644 million
Exxaro	- R343 million profit	➡	R224 million loss
King Price	- R92 million	➡	R317 million
Telesure	- R276 million	➡	R614 million
Hollard	- R498 million	➡	R905 million



Corporate activity, new entrants, partnerships, products and innovation

The South African non-life insurance industry is moving away from traditional fixed-premium insurance models towards flexible, customer-centric and technology-enabled solutions. Affordability has become an area of acute customer focus amid ongoing cost-of-living pressures, prompting insurers to develop innovative pricing models, modular cover options and value-added services. Customers increasingly expect insurance products that are tailored to their specific circumstances, provide greater flexibility and reward positive behaviours. As a result, insurers are increasingly adopting behaviour-linked pricing models, cashback reward incentives, telematics-based solutions and digital engagement platforms to improve customer experience and retention.

Santam

Santam Syndicate 1918	Parametric insurance	Cashback	Santam delisting
Santam recently established Santam Syndicate 1918, a Lloyd's syndicate, to support Santam's diversification strategy through increased contribution from international markets. International growth and diversification are key components of Santam's FutureFit 2030 strategy. Lloyd's granted final permission for Santam to commence underwriting from 1 January 2026. Initial underwriting will focus on property (international and North America open market and binders), marine, energy, political violence and terrorism, financial institutions, professional indemnity and cyber lines of business. Santam expects to underwrite gross written premium of GBP300 million for 2026.	During 2025 Santam was granted approval to offer parametric insurance (also known as weather index insurance) in the agricultural sector. This insurance product was introduced to provide affordable and accessible protection against climate-related risks, particularly for emerging and smallholder farmers. As climate change increases the frequency and severity of droughts, floods and other adverse weather events, traditional crop insurance has often been difficult for smaller farmers to access due to high administration and claims assessment costs. The product offering uses rainfall as a proxy indicator for drought and flood conditions. Predefined thresholds are set, so if rainfall falls below a set level, payouts are triggered to compensate for drought conditions. If rainfall exceeds a certain upper limit, payouts will also be made to cover losses from excess rainfall or flooding. The monitoring of rainfall triggers are aligned with the growth stage of crops to ensure comprehensive coverage. All critical phases, such as germination, vegetative and reproductive, are factored in. This approach ensures that farmers are protected from germination to harvest.	Santam premiered its CashBack Programme across its intermediated channel on 1 July 2026, a new customer value proposition designed to reward policyholders for responsible risk management and claim-free behaviour. The programme was introduced to extend value beyond traditional insurance protection. Under the initiative, qualifying personal lines policyholders who maintain their cover and remain claim-free receive a cash back reward.	Sanlam Limited (Sanlam) entered into an implementation agreement with Santam to acquire all the ordinary shares in Santam that it does not already own, by way of a scheme of arrangement. Sanlam currently holds an effective stake of just under 63% in Santam. Once the transaction is complete, Santam will be delisted from the JSE, Namibian Stock Exchange and A2X. Santam's proposed delisting is intended to enable full integration into the Sanlam Group, improving strategic flexibility, capital management, operational efficiency and long-term value creation, while simplifying the group's structure and eliminating the costs associated with maintaining a separate listed entity.

Discovery Insure

The Discovery Group announced its 2027 product enhancements, continuing to advance integration across Discovery Insure, Discovery Bank and the broader Discovery ecosystem through its "Superbank" model.

Discovery Insure continues to strengthen its behaviour-based insurance proposition through the introduction of PerfectDrive, which provides immediate rewards for safe driving after each qualifying trip. Discovery reports that drivers completing more "perfect trips" experience lower accident frequencies.

A second notable enhancement is the expansion of fuel rewards, with qualifying policyholders able to earn up to 65% back on fuel and eligible Gautrain spend, linked to driving behaviour, banking engagement and Vitality status. Rewards will be paid almost immediately through Discovery Miles or an Insure Funder Account that can be used for vehicle maintenance or claims excesses.

These product enhancements reinforce the use of telematics and behavioural data to improve risk selection, encourage safer driving and potentially reduce claims costs.

Miway

At the start of 2025 Miway launched a two-year cashback rewards programme (Micashback) aimed at promoting responsible driving and disciplined claims behaviour. Under this structure, eligible policyholders receive a cashback benefit after remaining claim-free for two years. This helps encourage long-term customer retention and better alignment between customer behaviour, pricing and risk outcomes. By connecting rewards to claims experience, the initiative may support improved claims performance, while helping Miway stand out in a highly competitive and price-sensitive market.

Hollard

In an effort to strengthen its position in the growing green economy, Hollard entered into a partnership with iTOO Special Risks and Tokio Marine GX (TMGX), a specialist underwriting platform focused on supporting Africa's transition to a low-carbon economy. Leveraging its strategic investment in Hollard, TMGX provides businesses with access to tailored insurance and risk management solutions designed to support decarbonisation initiatives and renewable energy projects.

The platform offers comprehensive cover across a wide range of green technologies and industries, including solar, wind, hydropower, battery energy storage, hydrogen, carbon capture, carbon credits and small modular nuclear reactors, providing a single access point for organisations undertaking energy transition projects. TMGX officially launched on 1 September 2025.

Clientèle Limited (Clientèle)

Clientèle delisted from the JSE main board on 30 June 2026, after being listed as a public company on the stock exchange for just under two decades. Clientèle cited limited share liquidity, share price volatility and a market valuation that trades at a substantial discount to embedded value as key factors contributing to its delisting.

These factors have limited the company's ability to raise capital and utilise its listed shares for strategic transactions. Clientèle believes an unlisted structure will reduce compliance costs, improve strategic flexibility and enable management to focus on growth initiatives.

Conclusion

The results for the 2025 financial year demonstrate a sector that is financially sound, resilient and well positioned for the future. Yet the risks emerging in 2026 remind us that the industry's role extends beyond financial reporting. Climate volatility, cyber risk and economic uncertainty require insurers to remain agile, innovative and customer focused.

The industry's purpose is underscored by being there when customers need it the most, while helping them prepare for the risks of tomorrow. By combining financial strength with innovation, resilience and a commitment to serving society, the non-life insurance industry can continue to protect what matters and contribute to a more secure and sustainable future for South Africa.



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