



Media Release

Association for Savings and Investment South Africa (ASISA)

28 October 2025

Critical illness cover considered a luxury rather than a necessity by South Africa's income earners

Just over 24 000 South African formally employed income earners are expected to be diagnosed with a critical illness such as cancer, a heart attack or stroke in 2025, according to actuarial estimates. Yet more than 85% of income earners do not have critical illness cover, says actuary WS Nel, research lead for the 2025 Insurance Gap Study released by the Association for Savings and Investment South Africa (ASISA) in partnership with True South Advisory.

This is the first time critical illness coverage has been included in the scope of the ASISA Insurance Gap Study, which is conducted by True South Advisory every three years. Nel says the inclusion of critical illness coverage represents a significant broadening of the study's scope.

However, unlike with death and disability cover, it is impossible to calculate an insurance gap for critical illness cover. Nel says this is because a total loss of income cannot be assumed for income earners who suffer a critical illness, as those affected are often still able to return to work and continue to earn an income. He adds that short-term medical expenses and changes in long-term lifestyle expenses due to a critical illness also vary depending on individual circumstances.

Nel explains that critical illness cover is designed to provide a lump sum payout when an individual suffers a serious health condition, such as cancer or heart disease, ensuring that surviving a major illness does not result in financial hardship. He adds that critical illness cover provides liquidity during recovery from a serious illness to mitigate the financial impact of lifestyle adjustments, shortfalls in medical aid cover, or treatments not covered by medical aid.

South Africa was the first country to introduce critical illness products in the 1980s, after Dr Marius Barnard, brother of Dr Christiaan Barnard, who performed the first heart transplant, convinced a small life insurer to create a product that would reduce the financial pain of a major health crisis.

The 2025 ASISA Insurance Gap Study shows that while South Africa's 16.1 million formally employed income earners generate around R4 trillion in annual gross earnings, their critical illness cover was worth only R1.1 trillion at the end of December 2024. Nel says this translates to a critical illness coverage ratio of 26% at the end of 2024.

"We believe that in the case of critical illness cover, estimating an average cover per income earner distorts the reality of a highly uneven distribution. In our estimates, more than 85% of earners have no critical illness cover, while a small minority hold high levels of cover."

Nel points out that critical illness is the least-covered risk, despite being the most tangible. "Most of us know someone who's had cancer or a heart attack, but few personally know someone who's been rendered permanently disabled."

Nel says data gathered from life insurers for the 2025 Insurance Gap Study shows a strong relationship between income and critical illness coverage, with higher-income individuals maintaining a greater level of cover. According to the study, the wealthiest 20% of South Africa's income earners had a 31% critical illness coverage ratio. Equally, there was also a very strong correlation between critical illness cover and the level of education of income earners, with earners holding a university degree most likely to have a critical illness policy.



While the range of illnesses covered by critical illness products differs from insurer to insurer, the big four conditions most commonly included are heart attacks, cancer, strokes and coronary artery bypass grafts for heart disease. According to the [ASISA Standard on Disclosures for Critical Illness Products](#), these four conditions account for more than half of all critical illness claims. ASISA introduced the Standard in 2009 to promote transparency, improve consumer understanding and enhance comparability of critical illness products.

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Note to editors: For more information on [critical illness products](#), please visit SmartAboutMoney.co.za, the ASISA consumer education portal.

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Issued on behalf of:

The Association for Savings and Investment South Africa (ASISA)

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