ASISA

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SA life insurers conclude the first half of 2025 with assets under management of R4.8 trillion

South African life insurers remained well-capitalised in the first half of this year and in a strong position to continue honouring contractual promises made to policyholders and their beneficiaries.

The life insurance industry statistics released today by the Association for Savings and Investment South Africa (ASISA) show that life insurers concluded the first half of 2025 with assets under management of R4.8 trillion, up from R4.5 trillion at the end of December 2024. Life insurers also reported a healthy solvency buffer, which at a ratio of 1.89 is almost double the Prudential Authority's Solvency Capital Requirement (SCR). The SCR is regulated by the South African Reserve Bank's Prudential Authority and is designed to protect policyholders.

According to the half-year statistics, ASISA members managed 45.6 million risk and savings policies on behalf of individual policyholders at the end of June 2025, a marginal increase from the 44.4 million policies in force at the end of December 2024. In addition to these individual policies, ASISA members also managed around 85 000 group schemes on behalf of employers and other organisations.

Gareth Friedlander, a member of the ASISA Life and Risk Board Committee, emphasises that the policyholders and beneficiaries of these 45.6 million policies must be able to trust that life insurers will be able to pay valid claims when the need arises, even in times of extreme market turmoil and unusually high claims, as was the case during the COVID-19 pandemic.

"The key indicator of the industry's health is the average solvency buffer, which has consistently been around double the Prudential Authority's requirement. Strong capital buffers ensure that life insurers are in a position to pay claims and policy benefits, even during difficult times, which is when policyholders and beneficiaries also need financial support the most."

The life industry in numbers

	June 2022	**Dec 2022**	**June 2023**	**Dec 2023**	**June 2024**	**Dec 2024**	**June 2025**
Assets held	R3.5 trillion	R3.7 trillion	R3.9 trillion	R4.1 trillion	R4.3 trillion	R4.5 trillion	R4.8 trillion
Liabilities	R3.2 trillion	R3.4 trillion	R3.6 trillion	R3.7 trillion	R3.9 trillion	R4.2 trillion	R4.4 trillion
Free Assets	R336 billion	R347 billion	R364 billion	R366 billion	R377 billion	R381 billion	R377 billion
SCR Ratio	2.04	1.96	2.05	2.07	2.05	1.99	1.89
Claims & benefits paid per half-year	R270 billion	R308 billion	R287 billion	R311 billion	R298 billion	R342 billion	R297 billion

Claims and benefits paid

Life insurers paid claims and benefits worth R297 billion in the first six months of 2025. These payments included claims against life, disability, critical illness and income protection policies, as well as underwritten pension fund benefits, annuity payments to pensioners and endowment policy benefits.

Friedlander points out that individuals would have received the payments following a tragic event like death, disability or diagnosis of a severe illness, or as a result of a significant life stage change like retirement.

"Our industry exists predominantly to provide people with the option to insure against the financial impact of a life-changing event or to provide for a time when they are no longer able to earn an income. Last year, ASISA members settled 95.6% of death claims received, paying beneficiaries of life and funeral policies R39.5 billion in benefits."

Risk policies

At the end of June 2025, South African life insurers held 36.8 million risk policies for policyholders paying monthly premiums. Close to 17 million were funeral policies, just over 7 million were credit life policies, and 12.8 million were life, disability, severe illness, and income protection policies.

The ASISA statistics show a modest growth of 1.6% in recurring premium risk policies in the first six months of 2025.

In the first half of 2025, close to 4.5 million recurring premium risk policies lapsed. A lapse occurs when the policyholder stops paying premiums for a risk policy with no accumulated fund value.

Friedlander points out that while some of the policy lapses may reflect policyholders switching to alternative providers, many occur when financially stretched consumers stop paying premiums altogether. He cautions that losing risk cover can have serious consequences. Those who lapse their policies may no longer qualify for new cover on the same terms or could experience a life-changing event while uninsured, leaving their families financially exposed.

Savings policies

The number of individual recurring premium savings policies (endowments and retirement annuities) dropped from 5 million at the end of 2024 to 4.9 million over the six months to the end of June 2025 as a result of maturities and surrenders.

Policyholders surrendered just over 233 000 recurring premium savings policies during the six months. A surrender occurs when the policyholder stops paying premiums and withdraws the fund value before maturity.

Friedlander comments that consumers are more likely to surrender their savings policies during tough times to cope with financial hardship.

Ends

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Issued on behalf of:
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Life and Risk Board Committee
Association for Savings and Investment South Africa (ASISA)

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