

ANNEXURE “K”

LIFE INSURANCE GAP STUDY STATISTICS

1 PURPOSES OF STATISTICAL ACTIVITY

1.1 The purposes of the GAP Study statistical activities set out in this **Annexure “K”** include:

- 1.1.1 quantifying the life and disability insurance gap in South Africa by considering the financial impact of the death or disability of an earner in the household, and measuring the difference between the amount of life and disability insurance cover consumers should have to maintain their lifestyles after a death or disability event versus the amount of cover they do have. The statistical information collected from Participating Members is used to quantify the actual amount of life and disability cover;
- 1.1.2 to assist with measuring the combined life and disability cover shortfalls and the insurance required to meet the shortfalls;
- 1.1.3 to assist with measuring the insurance gap for different segments of the population in terms of income, education, age, province and gender and determining groups of earners that are particularly at risk;
- 1.1.4 to assist with measuring increases or decreases of the insurance gap between reporting periods;
- 1.1.5 providing the media, the general public and industry participants with an overview of the life and disability insurance gap in South Africa;
- 1.1.6 educating consumers and enabling more informed life and disability insurance decision making.

- 1.2 By collaborating and sharing the information contemplated in the statistical activity set out in this **Annexure “K”**, it is also envisioned that economic efficiency, competition and consumer wellbeing in the life insurance market will be enhanced.

2 PARTICIPATING MEMBERS

- 2.1 ASISA members who provide death and disability insurance cover may participate.

3 PROCESS

- 3.1 A template for the required information will be sent to Participating Members yearly by the end of March and Participating Members must submit the required information to ASISA's appointed Third-Party Service Provider by the end of May each year (or such other time as ASISA may determine from time to time).
- 3.2 ASISA's Third-Party Service Provider will collect and collate the Individual-Level Data and generate the Collated Statistics containing Aggregated Data only and a research report on the findings.

4 STATISTICS

- 4.1 The statistical activity is focused on determining the life insurance gap and the disability insurance gap for the SA population for a specific time period. The insurance gap in both instances above is defined as the need for insurance cover reduced by actual cover existing. The statistical activity considers how this insurance gap is different for different population segments (based e.g. on age and socio-economic class).
- 4.2 Insurance groups with more than one life license must provide a separate submission in respect of each life insurer.
- 4.3 Participating Members must provide the following information:
 - 4.3.1 The information from their **Annual Quantitative Submission Statement** as

specified in the template in respect of:

4.3.1.1 non-life technical provisions **TP2.1**;

4.3.1.2 non-life technical provisions **TP2.2**;

All commentary and/or explanations provided to the Prudential Authority in respect of the above statements must be included.

4.3.2 The following additional Information specified in the template:

4.3.2.1 free-form questions;

4.3.2.2 split per age and gender;

4.3.2.3 split per socio-economic group.

4.3.3 Any additional relevant information that Participating Members agree to from time to time.

5 SHARING AND PUBLICATION

5.1 The research report referred to in paragraph 3.2 (entitled the “*South African Insurance Gap Study*” or similarly worded) will be published on the ASISA website every three years or as may otherwise be agreed between the Participating Members.

5.2 A media release containing elements from the report may be published post publication of the report on ASISA's website.

6 RESPONSIBLE SPA AND COMMITTEES

Responsible Senior Policy Advisor	ASISA Point Person to the Life and Risk Board Committee
Responsible Board Committee	Life and Risk Board Committee
Responsible Standing Committee	None



7 DOCUMENT HISTORY

Effective Date	31 July 2023
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Date of amendment	Nature of amendment