ASISA GAP STUDY

What it means for life insurers and consumers

Why this study matters?

- Because the gap signals how well society is protected.
  - A rising gap implies more under-insurance, which means greater financial risk for households, and more systemic vulnerability (e.g. reliance on informal coping mechanisms, increased burden on social safety nets).
- Stakeholder relevance
  - For consumers, this study serves as a prompt to assess cover adequacy.
  - For insurers and members, this study helps guide product design and shows market opportunity (especially under-served segments).
  - For regulators / policymakers reveals gaps in social protection and where incentives may apply or regulation lightened to address the under insurance.

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What are the constraints to closing the gap?

- Affordability
- Distribution/Access
- Lack of awareness/education about the need

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Observations

- Overall coverage has decreased to 38% (previous Study 44%)
- Funeral and credit insurance not included in the Study but also play an NB role
- Notable and concerning gap in the 30-40 year old age group (young families with dependants)
- Critical illness coverage measured for the first time:

  Cover amount R1.1 trillion vs Annual Gross Earnings of R4 trillion

  = 26% coverage

- Study shows the diversity of SA's socio-economic landscape
- Role for life insurance industry to play

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Thank you