



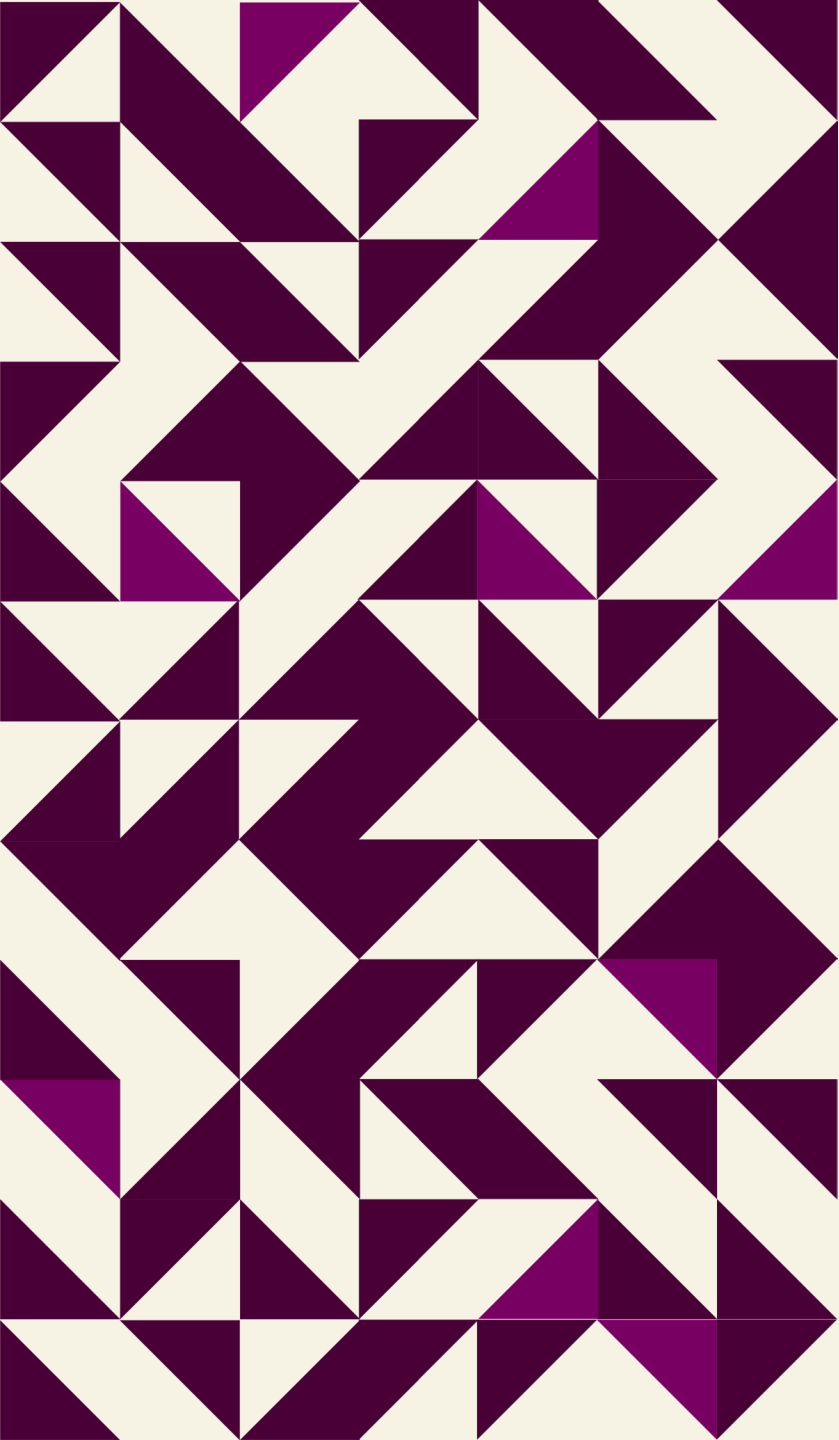
ASISA GAP STUDY

**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.



What are the constraints to closing the gap?

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



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

Thank you

