

Republic of South Africa

Short-term Insurance Regulatory Environment

General Country Information

Capital Cities

Pretoria - Administrative Capital
Bloemfontein - Judicial Capital
Cape Town - Legislative Capital

Population

44,8 million. 2001 Census

Area

1 218 090 square Kilometres

Currency

Rand

Insurance Regulation

Market Access:

Liberal other than Riot insurance which is subject to a State monopoly, in return for non-cancel-able cover.

Non-admitted Insurance:

Insurance – Not permitted without the prior approval of Registrar of Insurance when placement via an intermediary or the Reserve Bank when placement made direct by client.

Re-insurance – This is permitted but has an impact on the solvency margin of the insurer.

Compulsory Insurance:

Motor Vehicle Accidents – injury only. Premium collected by way of petrol levy
Workers' Compensation
Unemployment Insurance

Premium Tax

VAT applies at a rate of 14% to most premiums, however, vendor's registered for VAT can in most cases claim this back where the insurance has been purchased, for the purpose of making vat-able supplies.

Exchange Control: Semi-controlled.

Mandatory Cessions: None.

Solvency Margins/Contingency Reserve

Net assets must exceed 15% of net premium, plus a 10% Contingency reserve is required.

Brokers

Intermediaries must be licensed to operate in South Africa.

Regulator

Financial Services Board: Registrar of Short-term Insurance.

Please use our *Contact Us* page, should you require any additional information concerning the regulatory environment or assistance with non-admitted placements.