



inseta
INSURANCE SECTOR EDUCATION
AND TRAINING AUTHORITY

Working together for a skilled tomorrow

SECTOR SKILLS PLAN

2020-2025

EMPOWERED TO INFLUENCE AND INSPIRE

FOREWORD

It is a pleasure to present the Insurance Sector Education and Training Authority (INSETA) Sector Skills Plan (SSP) for 2020-2025. The SSP is updated with new information and insights. The Department of Higher Education and Training (DHET) requires an additional chapter on monitoring and evaluation to be inserted in the SSP. We have included this as Chapter Five.

The SSP aligns with the national strategies and plans of government, particularly the National Development Plan (NDP). The plan underpins government's priority of reducing unemployment, combating inequality and alleviating poverty.

A section on research processes and methods is included in the plan. Chapter Three is renamed Occupational Shortages and Skills Gaps and is reproduced according to the new DHET requirements. A Sectoral Priority Occupations List, containing the Top 10 occupations in the insurance sector, is outlined in this chapter. The Continuous Improvement Plan (CIP) is updated.

In Chapter Four, the research partnership between the INSETA and the University of Witwatersrand is discussed. This partnership intends to give a new impetus to the research agenda of the INSETA. Further research partnerships are secured with the University of Cape Town and Durban University of Technology.

INSETA is forging ahead with the development of new occupational qualifications for the sector. There are moves afoot to prioritise technological skills development in the workforce due to the 4th Industrial Revolution (4.0), which is having a significant impact on the insurance sector.

Our Skills Planning and Research Division is strengthened with the appointment of an experienced senior researcher and further appointments are to follow. The aim is to make the INSETA an authority on skills research and intelligence in the insurance sector.

We have developed a research agenda which will guide our research activities. A Research and Learning Committee (RLC) is established to advise on research and learning issues. It comprises of leading human resources development professionals in the sector. The committee brings research to the coalface of the sector and enables experts to contribute to the research agenda.

We continue to intensify our engagements with employers, labour and government to ensure that stakeholder demands inform skills development.

We are increasing our footprint in public TVET colleges. The INSETA is capacitating lecturers to teach insurance qualifications. We are also increasing financial support for students.

We are confident that you will find the INSETA Sector Skills Plan an exciting and insightful read.

ACRONYMS

ASISA	Association of Savings and Investment South Africa
ATR	Annual Training Report
BATSETA	Council of Retirement Funds for South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BBF	Black Brokers Forum
BHF	Board of Healthcare Funders
BIAC	Black Insurance Advisory Council
BUSOSA	Burial Society of South Africa
CETA	Construction Education and Training Authority
DUT	Durban University of Technology
DPRU	Development Policy Research Unit
ETQA	Education and Training Quality Assurer
EWSETA	Energy Sector Education and Training Authority
FAIS	Financial Advisory and Intermediary Services Act
FIA	Financial Intermediaries Association of Southern Africa
FPI	Financial Planning Institute
FSCA	Financial Sector Conduct Authority
FSC	Financial Sector Charter
FSP	Financial Service Providers
GDP	Gross Domestic Product
GIZ	German Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit)
HRDSA	Human Resource Development Strategy for South Africa
ICT	Information and Communication Technologies
IISA	Insurance Institute of South Africa
ILA	Institute of Loss Adjustors
INSETA	Insurance Sector Education and Training Authority
IOPSA	Institute of Plumbers South Africa
NC(V)	National Certificate (Vocational)
NDP	National Development Plan
NGP	National Growth Path
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
NSWHP	National Solar Water Heating Programme
OFO	Organising Framework for Occupations
PIVOTAL	Professional, Vocational, Technical and Academic Learning
QCTO	Quality Council for Trade and Occupations
RLC	Research and Learning Committee
SAFOBS	South African Funeral Business Services
SAIA	South African Insurance Association
SAQA	South African Qualifications Authority
SARB	South African Reserve Bank
SAUMA	South African Underwriting Managers Association
SDP	Skills Development Provider
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SMME	Small, Medium and Micro-Enterprises
SSP	Sector Skills Plan
TVET	Technical, Vocational, Education and Training (colleges)
UCT	University of Cape Town
WITS	University of Witwatersrand
WSP	Workplace Skills Plan
4.0	4th Industrial Revolution

EXECUTIVE SUMMARY

The INSETA Sector Skills Plan is a “programme of action” for the insurance sector. It is aligned with the National Development Plan and the National Skills Development Plan, which collectively offer a blueprint for South Africa.

The scope of industrial coverage of insurance includes unit trusts, risk management, insurance and pension fund (except compulsory social security), life insurance, pension funding, health care benefits, short-term insurance, funeral insurance, reinsurance and auxiliary activities (includes brokers and intermediaries).

Chapter One focuses on the economic and labour profile of the insurance sector. The insurance sector is influenced by the macro-economic performance of the economy. GDP in 2018 was 0,8%. It has had adverse effects on insurance companies since financial products are not essential items like food, travel and petrol. Insurers are also affected by the rating downgrades as they are significant holders of assets. The contribution of insurance to GDP was 9% in 2018.

On the positive side, the South African insurance market is mature. Companies are competitive with high levels of insurance penetration. The most substantial provincial contributions to insurance GDP are Gauteng, Western Cape and Kwa Zulu-Natal.

In terms of labour market performance, there was an increase in insurance sector employees of 46 952 between 2010 and 2018. It translates into a 32% increase in employees in the sector. Comparative growth for all sectors for the same period was 16%. Large insurance companies (+150 employees) comprise 82% of the workforce. Medium insurance companies (+50-149 employees) comprise 8.8% of the workforce. Small insurance companies (1-49 employees) comprise 9.2% of the workforce.

Middle-level workers such as clerks and sales and service workers are increasingly replaced by technology in the form of artificial intelligence (AI), social media, digitisation and other IT enablers. Middle-level occupations are being hollowed out of the sector. Whites are in the majority at the manager level. Hence, there is a need to increase the proportion of Blacks (Africans, Coloureds and Indians) at the management level.

Chapter Two identifies key skills change drivers in the sector. These are technology, climate change, product development, economy, regulatory environment and future work.

Technology is disrupting the insurance sector. This disruption is referred to as the 4th Industrial revolution (4.0) and involves the increasing use of artificial intelligence, robotics, big data, digitisation, digital marketing, blockchain, predictive analytics and machine learning. There are desirable career opportunities for graduates who can work in these technology areas in the insurance sector.

Climate change is one of the most significant challenges facing the insurance sector. Reskilling is required to factor climate change in the following areas: liability, underwriting, marketing, risk management, regulations, investment, strategic, operational, reputational, pricing, and asset risks.

Most insurers are challenged to create innovative financial products. To accelerate product development, the sector should be training and designing programmes in new product development that are unburdened by the usual policy categories.

The new Insurance Act took effect effective from 1 July 2018 and will eventually replace the existing Long-term and Short-term Insurance Acts. Industry stakeholders should be trained to apply the new legislation in all operations.

Insurers cannot increase staff due to the country's weak economic performance. Insurers therefore need to retrain and repurpose existing employees, particularly those impacted by technology upgrades to make more productive use of their talent.

Chapter Three focuses on the Sectoral Priority Occupations List. The following are the Top 10 occupations on the list are insurance agent; insurance broker; actuary; data analyst; insurance loss adjustor; financial investment advisor; fraud examiner; developer programmer; ICT security specialist; and organisational risk manager.

Chapter Four discusses current and planned sector partnerships. INSETA is partnering with public TVET Colleges to develop lecturer capacity and provide bursaries for TVET students. Another development is the appointment of the University of Witwatersrand as a research partner to provide research capacity support to INSETA.

INSETA has partnered with the Insurance Institute of South Africa (IISA) for developing occupational qualifications in the short-term insurance industry. A partnership was also forged with professional bodies and industry associations to promote work placements and internships among their membership for unemployed learners and graduates.

Two additional research partnership will be established with the University of Cape Town and Durban University of Technology.

Chapter Five addresses monitoring and evaluation issues. INSETA is meeting its annual targets as per its service level agreement with the DHET. The establishment of the Research and Learning Committee is intended to use human resource development experts in the sector to guide the research agenda.

Chapter Six outlines key strategic skills priority actions. The following are proposed: strengthening research capacity for sector skills planning; supporting the public TVET College system; addressing occupations in high demand and skills gaps; developing new and enhancing existing qualifications; supporting professionalisation of the sector; meeting transformation targets; supporting SMMEs and entrepreneurship; supporting rural development and cooperatives; building career guidance; and aligning with national strategies and plans.

TABLE OF CONTENTS

FOREWORD	I
ACRONYMS	II
EXECUTIVE SUMMARY	III
RESEARCH PROCESS AND METHODS	VII
CHAPTER ONE: SECTOR PROFILE	X
1.1 INTRODUCTION	1
1.2 SCOPE OF COVERAGE	1
1.3 KEY ROLE-PLAYERS	2
1.4 ECONOMIC PERFORMANCE	4
1.5 LABOUR MARKET PROFILE	8
1.6 CONCLUSION	17
CHAPTER TWO: KEY SKILLS CHANGE DRIVERS	18
2.1 INTRODUCTION	19
2.2 KEY CHANGE DRIVERS	20
2.3 POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY	25
2.4 CONCLUSION	27
CHAPTER THREE: OCCUPATIONAL SHORTAGES AND SKILLS GAPS	28
3.1 INTRODUCTION	29
3.2 HARD-TO-FILL VACANCIES	29
3.3 SKILLS GAPS BY MAJOR CATEGORY	32
3.4 SUPPLY OF OCCUPATIONS	33
3.5 WORKFORCE QUALIFICATIONS	35
3.6 SETA SUPPORTED PROGRAMMES	35
3.7 PIVOTAL PROGRAMME COMPLETIONS	36
3.8 TVET PROGRAMMES	37
3.9 HIGHER EDUCATION PROGRAMMES	37
3.10 TRAINING PROVIDERS	39
3.11 FINDINGS OF OCCUPATIONAL SUPPLY	39
3.12 SECTORAL PRIORITY OCCUPATIONS	40
3.12.1 Research Methods and Consultations	40
3.12.2 Findings that Informed the List	40
3.12.3 Quantities	41
3.12.4 Basis of Interventions in the List	41
3.12.5 Envisioned Outcomes from Identified Intervention	41
3.13 SECTORAL PRIORITY OCCUPATIONS LIST (2019)	42
3.14 CONCLUSION	45
CHAPTER FOUR: SETA PARTNERSHIPS	46
4.1 INTRODUCTION	47
4.2 ANALYSIS OF EXISTING PARTNERSHIPS	47
4.3 PLANNED PARTNERSHIPS	50
4.4 RESEARCH PARTNERSHIP WITH UNIVERSITIES	51
4.5 CONCLUSION	52
CHAPTER FIVE: MONITORING AND EVALUATION	53
5.1 INTRODUCTION	54
5.2 APPROACH TO M&E	54
5.3 USE OF M&E DATA FOR PLANNING AND RESEARCH	55
5.4 PERFORMANCE INFORMATION	56
5.5 STRATEGIC PRIORITIES	57
5.6 MEASURES TO SUPPORT NATIONAL STRATEGIES AND PLANS	58
5.7 CONCLUSION	58
CHAPTER SIX: STRATEGIC SKILLS PRIORITY ACTIONS	59
6.1 INTRODUCTION	60

TABLE OF CONTENTS

6.2 FINDINGS FROM PREVIOUS CHAPTERS	60
6.3 KEY STRATEGIC SKILLS PRIORITY ACTIONS	61
6.3.1 Strengthen INSETA's Research Capacity for Sector Skills Planning	61
6.3.2 Developing New and Enhancing Existing Qualifications	63
6.3.3 Meeting Transformation Targets	64
6.3.4 Supporting rural development and cooperatives	65
6.3.5 Building Career Guidance	65
6.3.6 Support National Strategies and Plans	66
6.4 CONCLUSION	66
REFERENCE LIST	67

LIST OF TABLES

TABLE 1: RESEARCH CONDUCTED IN PREPARING INSETA'S SSP (2020-2025)	VII
TABLE 2: ACTIVE LEVY-PAYING EMPLOYERS AND WSPS SUBMITTED (2019-2020)	VIII
TABLE 3: THE SUB-SECTORS IN INSURANCE AND SIC CODES	1
TABLE 4: KEY ROLE-PLAYERS IN THE INSURANCE SECTOR	2
TABLE 5: NUMBER OF EMPLOYEES (2010-2018)	8
TABLE 6: GROSS EARNINGS (2010-2018)	9
TABLE 7: TRANSFORMATION IMPERATIVES	16
TABLE 8: EMPLOYEES QUALIFICATION 2018	35
TABLE 9: WORKERS ON INSETA SUPPORTED PROGRAMMES (2018-2019)	35
TABLE 10: PIVOTAL TRAINED BENEFICIARIES-SECTOR SPONSORED QUALIFICATIONS	36
TABLE 11: STUDENTS ON NQ(V) COURSES 2016	37
TABLE 12: PUBLIC AND PRIVATE HEIS ENROLMENTS	37
TABLE 13: HIGHER EDUCATION ENROLMENTS AND COMPLETIONS	38
TABLE 14: TOP 10 SECTORAL OCCUPATIONS FOR 2019/2020	42

LIST OF FIGURES

FIGURE 1: QUARTERLY GDP GROWTH (2017-2018)	4
FIGURE 2: CONTRIBUTION TO GDP (2017-2018)	5
FIGURE 3: PERCENTAGE ECONOMIC SECTOR GDP GROWTH (2018)	6
FIGURE 4: PERCENTAGE ECONOMIC SECTOR GDP PERFORMANCE (1993-2017)	7
FIGURE 5: PROVINCIAL CONTRIBUTION TO FINANCE AND INSURANCE GDP (2018)	7
FIGURE 6: PERCENTAGE SHARE OF EMPLOYMENT (2010-2018)	9
FIGURE 7: EMPLOYEES BY COMPANY SIZE (2019-2020)	10
FIGURE 8: EMPLOYER DISTRIBUTION BY PROVINCE IN PERCENTAGES	11
FIGURE 9: EMPLOYEE DISTRIBUTION BY PROVINCE IN PERCENTAGES	12
FIGURE 10: PERCENTAGE OF RACIAL BREAKDOWN (2019-2020)	12
FIGURE 11: PERCENTAGE GENDER BREAKDOWN (2019-2020)	13
FIGURE 12: PERCENTAGE AGE BREAKDOWN (2019-2020)	13
FIGURE 13: DISTRIBUTION OF MANAGERS BY RACE GROUP (2019-2020)	14
FIGURE 14: DISTRIBUTION OF PROFESSIONALS BY RACE GROUP (2019-2020)	14
FIGURE 15: DISTRIBUTION OF CLERICAL WORKERS BY RACE GROUP (2019-2020)	15
FIGURE 16: PERCENTAGE DISTRIBUTION OF SERVICES AND SALES WORKERS (2019-2020)	15
FIGURE 17: QUALIFICATION OF EMPLOYEES IN PERCENTAGES (2019-2020)	17
FIGURE 18: HARD-TO-FILL VACANCY OCCUPATIONS	30
FIGURE 19: EMPLOYEES PER MAJOR OCCUPATIONAL GROUP	34
FIGURE 20: NUMBER OF TRAINING PROVIDERS	39
FIGURE 21: APPROACH TO M&E	54

RESEARCH PROCESS AND METHODS

The INSETA conducted research and data analysis for this SSP 2020-2025. The SSP is developed with a high-level of stakeholder participation which has enhanced the findings and strategic skills priority actions. The information underpinning the SSP is authoritative and credible.

Multiple research methods were used to develop the plan and determine the extent of skills supply and demand. This comprised desktop research, statistical analysis, a Hard-To-Fill vacancy survey and stakeholder consultations.

The following research initiatives were implemented to gather data for the SSP:

Table 1: Research conducted in preparing INSETA'S SSP (2020-2025)

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Time Frame
Skills availability and transformation in the Insurance Sector	Qualitative/ Quantitative	<ol style="list-style-type: none"> 1. Determine the status of transformation in the sector. 2. Identify skills demand and supply. 3. Devise a list of the top ten priority occupations in the sector. 4. Emphasise occupations offering job openings. 5. Identify gaps between existing qualifications and the skills required by employers. 6. Define industry expectations for addressing skills gaps. 	<ol style="list-style-type: none"> 1. Desktop Research 2. Interviews 3. Workshops 4. Survey 	<ol style="list-style-type: none"> 1. 300 representatives of large and medium companies. 2. 4 000 small and micro-enterprises. 	<ol style="list-style-type: none"> 1. 2018/19 WSP ATR data 2. Industry databases 3. Statistics SA 	March 2018 – July 2019
Hard-To-Fill Vacancy (HTFV) Survey	Quantitative	<ol style="list-style-type: none"> 1. Determine HTFVs and reasons for it in the last 12 months. 	<ol style="list-style-type: none"> 1. Survey 	<ol style="list-style-type: none"> 1. All companies submitting WSP/ATRs (608) 	<ol style="list-style-type: none"> 1. List of levy paying Employers 	Annually

RESEARCH PROCESS AND METHODS

Table 1: Research conducted in preparing INSETA'S SSP (2020-2025)

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Time Frame
The absorption of learners into employment	Qualitative/ Quantitative	1. Identify employment opportunities for TVET College graduates.	1. Questionnaire	1. Graduation of learners from TVET Colleges (Eastern Cape)	1. Learners were enrolled in learnerships and full qualifications in the Eastern Cape	March 2019
The impact of 4.0 on the insurance sector	Qualitative	1. This study identified the technological changes unfolding in the insurance sector and its impact on companies and employees.	1. Literature review	Not applicable	1. Trade publications	July 2019
Skills supply, demand and mismatches	Literature review	1. The study has three aspects: demand, supply and mismatches of occupations.	1. Database analysis 2. Workshops 3. Questionnaires	1. All levy-paying employers that submitted WSP/ ATRs (608).	1. INSETA database	June 2019
The potential impact of the National Health Insurance on the insurance sector	Literature review	1. Determine the impact of NHI on the industry sector.	1. Database analysis 2. Literature review	Not applicable	1. NHI literature	August 2019

NOTE: Data was drawn from 608 employers that submitted a WSP/ATR for 2019/2020:

Table 2: Active levy-paying employers and WSPs submitted (2019-2020)

Enterprises	2015/16 submissions	2016/17 submissions	2017/18 submissions	2018/2019 submissions
Large levy-paying Employers (150+ employees)	87	67	126	71
Medium levy-paying Employers (50 - 149 employees)	81	102	135	95
Small levy paying Employees (1 - 49 employees)	879	448	701	442
Total	1047	617	962	608

Source: INSETA Database (2019)

Research methods employed:

- **Workshops** with sector stakeholders.
- **Interviews** with key sector role-players.
- **Survey** of insurance employers.
- **PESTEL** analysis of the sector.

CONCLUSION

INSETA is assured that the research methods used are robust and rigorous in compiling the SSP.



CHAPTER ONE: SECTOR PROFILE

CHAPTER ONE

1.1 INTRODUCTION

Chapter One presents a profile of the insurance sector. It describes the scope of coverage and identifies key role-players in the sector. The economic and labour market profile of the sector is analysed. An employer and employees profile of the insurance sector is determined. The sector profile gives a holistic understanding of the sector and its contribution to the economy.

The data used for this chapter is obtained from Statistics South Africa's Quarterly Labour Force Survey (QLFS), the Workplace Skills Plan/Annual Training Report 2019-2020, trade publications and national strategies.

1.2 SCOPE OF COVERAGE

INSETA's scope of coverage is the following:

Table 3: The sub-sectors in insurance and SIC codes

SIC Codes	Sub-Sectors
81901	Unit trusts
81902	Risk management
82100	Insurance & pension fund (except compulsory social security)
82110	Life insurance
82120	Pension funding
82131	Health care benefits
82191	Short-term insurance
82192	Funeral insurance
82193	Reinsurance
83000	Auxiliary activities (includes brokers and intermediaries)

Source: INSETA

The above scope of industrial activities form three major categories:

Long-Term Insurance	This covers life-changing events, such as death, retirement and disability. The types of cover offered include life, disability, dread disease, funeral and credit life cover.
Short-Term Insurance	This encompasses all types of insurance policies other than life insurance. It includes vehicle, property, household, medical, personal liability, travel and business insurance.
Collective Investments	A collective investment scheme involves members of the public investing in a portfolio. This category was formerly known as unit trusts.

1.3 KEY ROLE-PLAYERS

The sector has professional bodies, industry associations, financial service companies, trade unions and regulatory bodies that support an insurance sub-sector, professionals, and employers.

Table 4: Key role-players in the insurance sector

Financial Sector Conduct Authority (FSCA)	Financial Sector Conduct Authority is a market conduct regulator for the South African financial services sector. The regulatory reforms of the FSCA have skills development implications for employees, employers, training providers and the INSETA. Training interventions are needed to bring these groups up to date with regulations.
Prudential Authority (PA)	The twin peaks model reforms the regulatory and supervisory landscape for the financial sector. The Prudential Authority, located in the SARB, regulates financial soundness of financial institutions. The regulatory reforms of the PA have skills development implications for employees, employers, training providers and the INSETA. Training interventions are needed to bring these groups up to date with regulations.
Institute of Loss Adjustors (ILA)	ILA controls the professional standards and conduct of Loss Adjusters through a code of conduct and a disciplinary procedure. ILA advises INSETA on the development of new qualifications relating to claims assessment.
Financial Planning Institute (FPI)	FPI is a South African Qualifications Authority recognised professional association for financial planners in South Africa. It is the only institution in South Africa to offer the CFP® certification, as well as an approved examination body for the FAIS Regulatory Examinations. FPI advises INSETA on the development of new qualifications relating to financial planning.
Council of Retirement Funds for South Africa (BATSETA)	BATSETA is a non-profit organisation, managed by a Board of Directors, that looks after the interests of Principal Officers, trustees and fund fiduciaries in the retirement industry. BATSETA advises INSETA on the development of new qualifications relating to long-term insurance.
Insurance Institute of South Africa (IISA)	IISA is a professional membership institute for the South African short-term insurance industry. The Institute's vision is to help create "World-class skills for a world-class industry" by promoting skills development and professional conduct among its membership. IISA assists INSETA with graduate placements and internships.
The South African Insurance Association (SAIA)	SAIA is the representative body of the short-term insurance industry. It represents the industry to all relevant stakeholders to ensure a sustainable and dynamic industry. SAIA's members comprise all categories of short-term insurers, including reinsurers. SAIA assists INSETA with graduate placements and internships.
Financial Intermediaries Association (FIA)	FIA represents South Africa's independent brokers, including large and medium-sized brokerages and individual financial intermediaries. FIA provides insights into the skills development needs of its membership.
Association for Savings and Investment South Africa (ASISA)	ASISA represents the majority of the country's asset managers, collective investment scheme management companies, linked investment service providers, multi-managers and life insurance companies. ASISA provides insights into the skills development needs of its membership.
The Black Brokers Forum (BBF)	BBF is a representative body for black financial advisers. BBF provides insights into the skills development needs of its membership.

Table 4: Key role-players in the insurance sector

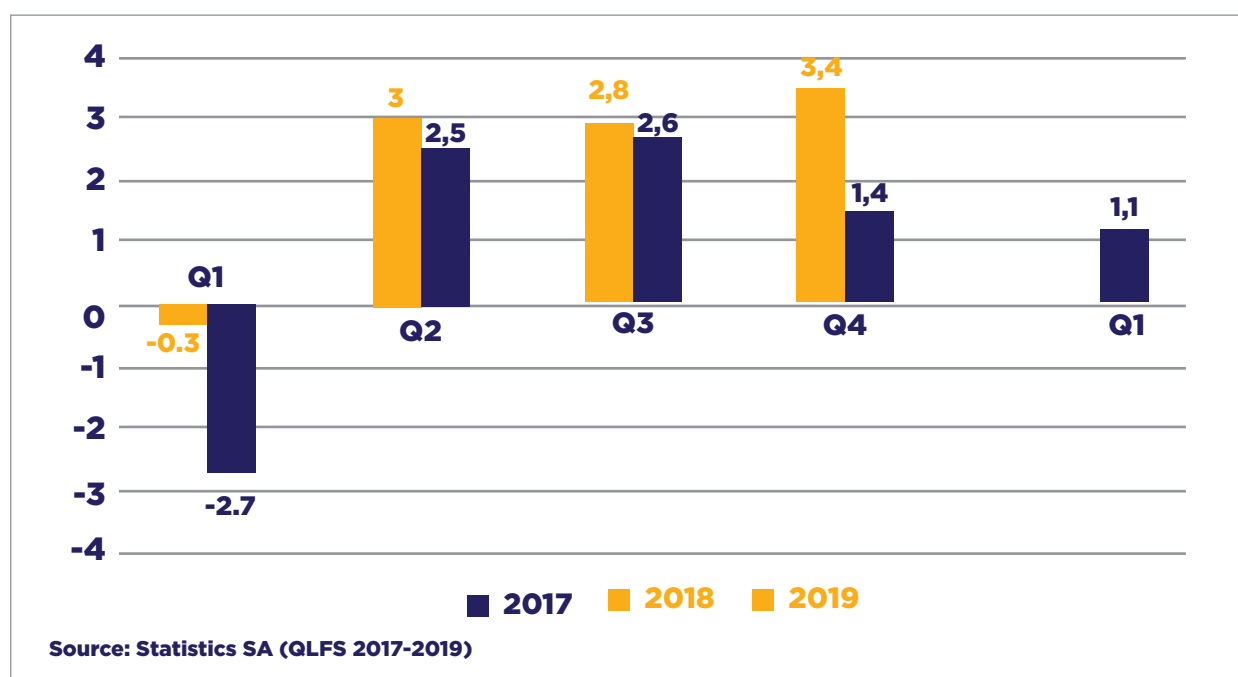
Black Insurance Advisors Council (BIAC)	BIAC's main objectives are to provide the insurance industry with skilled, informed, fit and proper financial services providers. The secondary objective is to work in collaboration with other insurance industry organisations and statutory institutions to address issues affecting the insurance industry. BIAC provides insights into the skills development needs of its membership.
South African Underwriting Managers Association (SAUMA)	SAUMA protects the rights of the underwriter within their relevant industry. It provides insights into the skills development needs of its membership.
Board of Healthcare Funders	BHF's motto is "Serving medical scheme members" guides how BHF fulfils its function of a representative body of the healthcare funding industry. BHF provides insights into the skills development needs in the healthcare industry.
South African Federation of Burial Societies (SAFBS)	SAFOBS oversees the coordination, training and education of burial societies and their staff. SAFOBS provides insights into the skills development needs of its membership.
Burial Society of South Africa (BSSA)	BUSOSA assists the Burial Society business to create sustainability and to provide education and training for entry into the industry. BUSOSA provides insights into the skills development needs of its membership.
South African Reserve Bank (SARB)	SARB protects the value of South Africa's currency. In discharging this role, it takes responsibility for informing the South African community and all stakeholders abroad about monetary policy and the South African economic situation. Data from the SARB national accounts are used for skills planning research.
Statistics South Africa	Statistics SA is the national public agency for the dissemination of official statistics on South Africa. The statistical findings of the agency are used for all research work by INSETA.

1.4 ECONOMIC PERFORMANCE

The economic performance of the insurance sector is influenced by the macro-economic performance of the South African economy.

Gross Domestic Product: Quarterly Gross Domestic Product (GDP) growth for South Africa between 2017 and 2018 is the following:

Figure 1: Quarterly GDP growth (2017-2018)



The South African economy produced a lack-lustre performance in the first quarter of 2017 and 2018. GDP shrank from -0.3% in 2017 to -2.7% in 2018. GDP growth in 2018 for the 4th quarter was 1.4% compared to 3.4% in 2017. GDP in 2018 was 0.8% across all quarters.

The weak GDP numbers impact directly on the economic performance of the economy. The poor economic performance between 2017 and the first quarter of 2019 is a result of rising inflation from 4% in Jan 2019 to 4.5% in March 2019, thus eroding household savings.

The policy uncertainty of the government is also contributing to weak business confidence. There is a high unemployment (26.6%); rising fuel prices; social and labour unrest; and high crime levels.

Shortfalls in tax revenue collection and increased spending on debt-servicing are also dampening economic growth prospects.

The above factors are exerting downward pressure on insurance companies since financial products are not essential items like food, travel and petrol. Insurers are also directly affected by the recent rating downgrades, as they are major holders of assets.

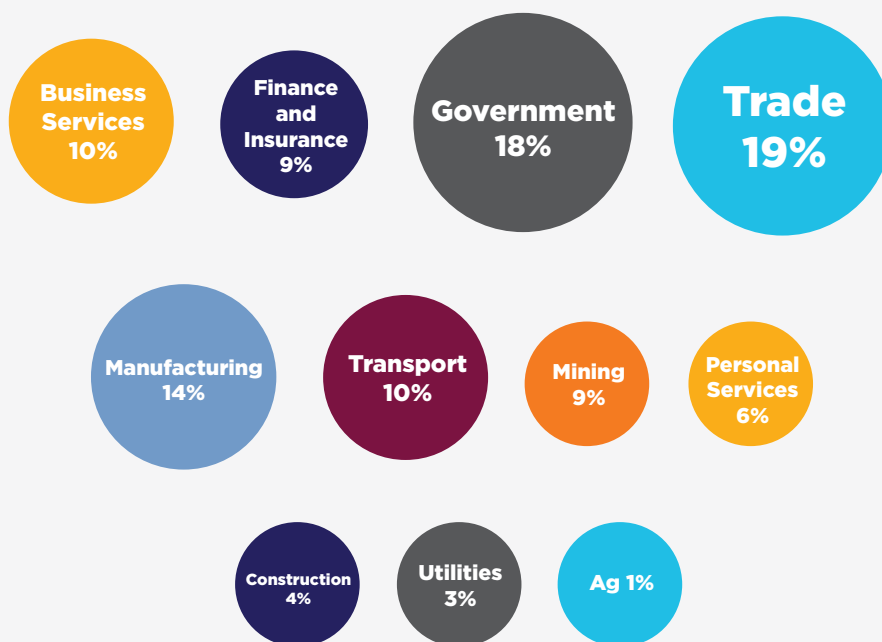
On the positive side, the winds of optimism are blowing in the direction of the insurance sector due to relative stability after the general elections. The government is also dealing with state capture, corruption and crime. A robust macro-economic framework provides fiscal stability and investor confidence. The banking sector is healthy and a sophisticated financial services market exists.

The other decisive factors are the maturity of the SA Insurance market and its ability to engage with the 4.0; the high levels of insurance penetration; and globally competitive insurance companies that can potentially dominate the African market.

Therefore, the negative impact of economic performance on the insurance sector is likely to be muted by its real strengths.

Sector Contribution to GDP: Economic sector contribution to GDP as a percentage in 2018 is as follows:

Figure 2: Contribution to GDP (2017-2018)



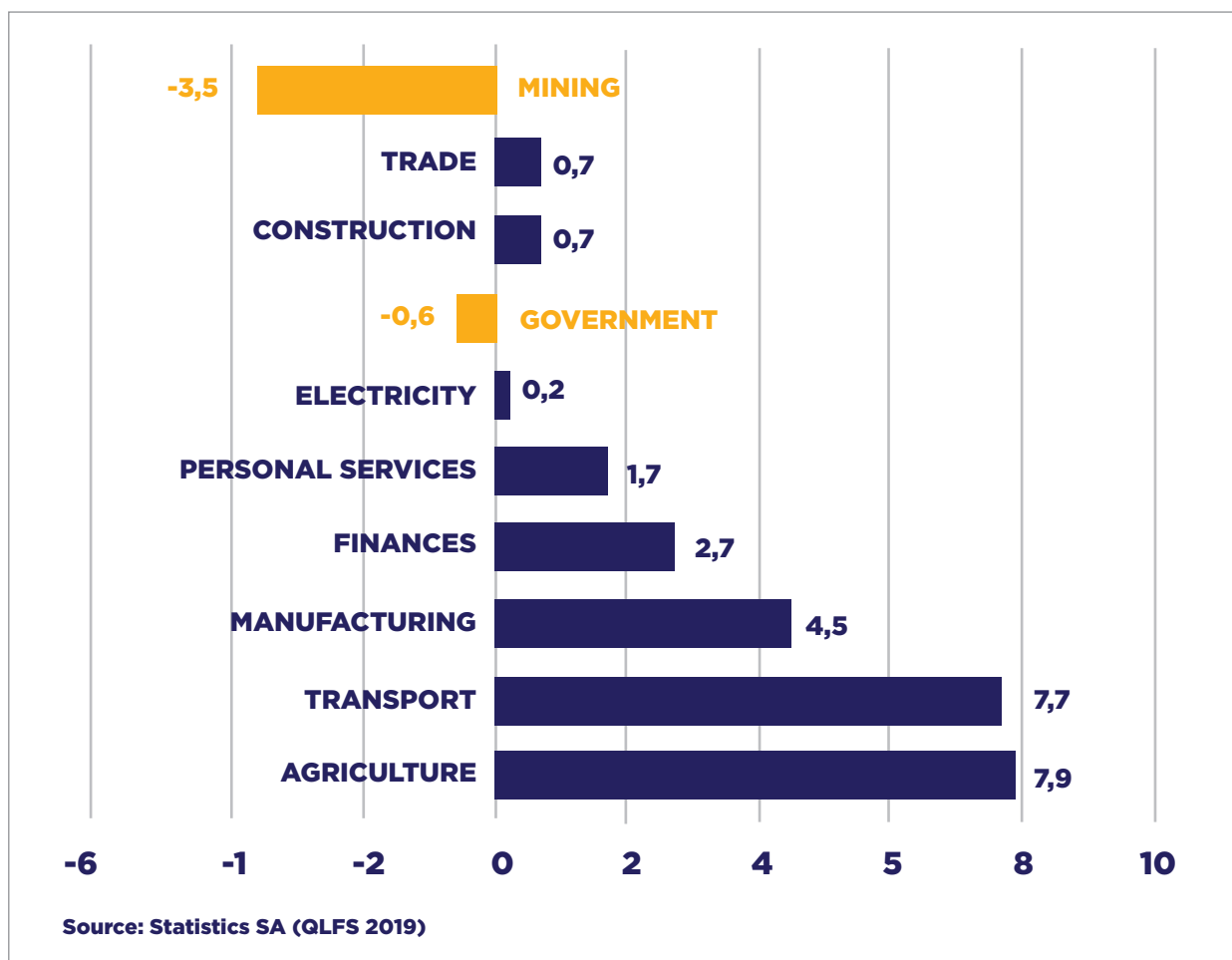
Source: Statistics SA (QLFS 2019)

The finance and insurance sector contributed 9% to GDP in 2018. It is noteworthy that all other economic sectors are clients of the insurance sector. Hence, the performance of the economy impacts directly on the insurance sector.

There is a need for the insurance sector to increase its contribution to GDP, if it is to absorb new entrants into the labour market. Without economic growth, employment demand is at risk.

Economic Sector Performance: The economic performance of the economy by sector is as follows:

Figure 3: Percentage economic sector GDP growth (2018)



GDP growth for the 4th quarter was 1.4%. Agriculture recorded the highest growth at 7.9%, followed by transport at 7.7% and manufacturing at 4.5%. Finance sector growth was 2.7%, which includes insurance.

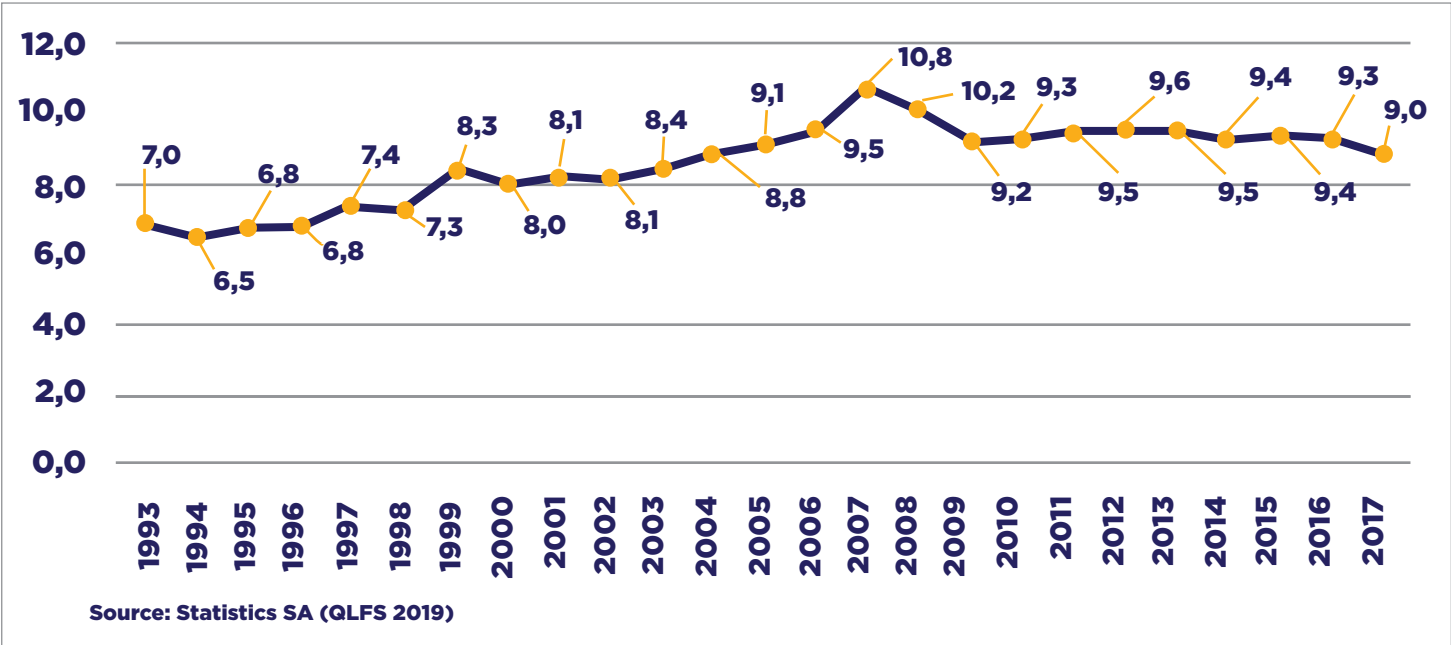
The mining sector, which is a major client of insurance companies, recorded the most significant decline at -3.6%.

The 2.7% growth of the insurance sector annually appears to be consistent with its size relative to other sectors.

There is potential for sector growth in insurance.

Finance and Insurance GDP Performance: The performance of the finance and insurance sector between 1993 and 2017 is as follows:

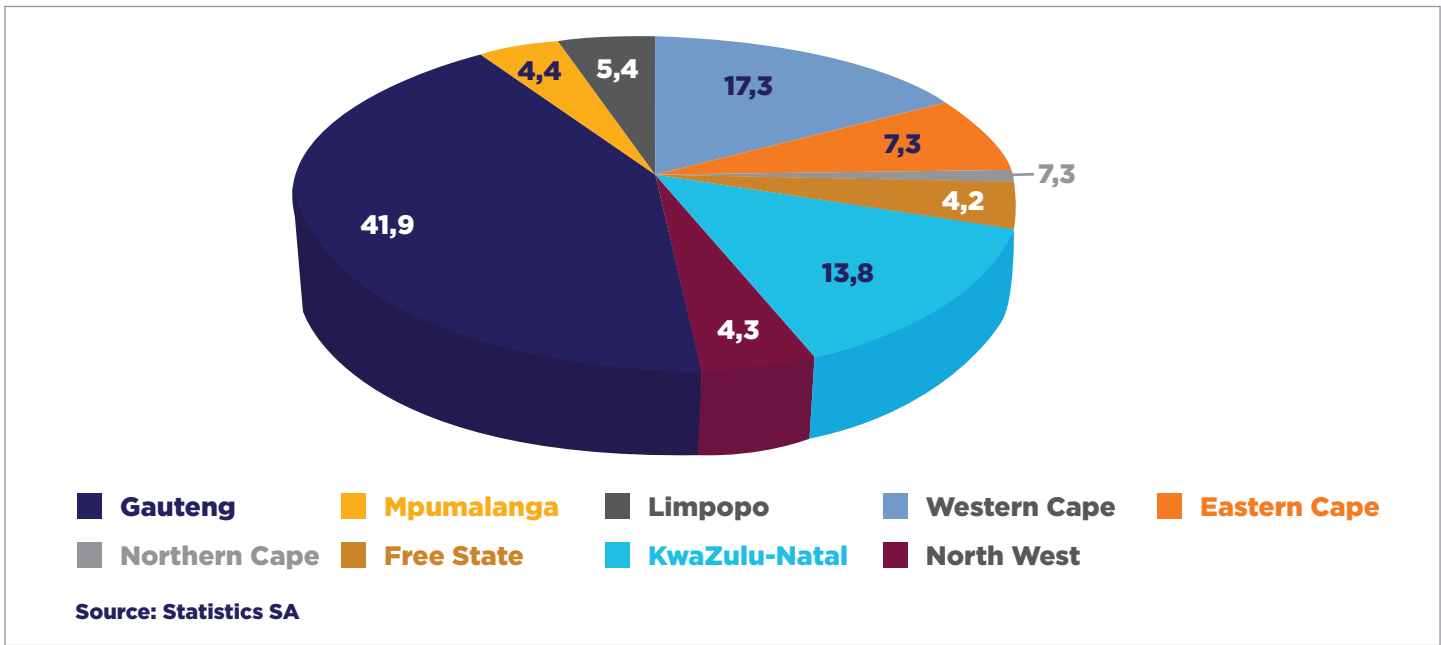
Figure 4: Percentage economic sector GDP performance (1993-2017)



The sector grew steadily between 1993 (7%) and 2007 (10.8%). Over nine years, from 2008 to 2017, GDP declined in the finance and insurance sector from 10.8% to 9%. GDP declined in 2008, mainly due to the global financial crisis, which started in the USA and spread world-wide.

Over the period (1993-2017), growth in the finance and insurance is best described as stable but moderate. Between 2010 and 2019, growth was -0.2%.

Figure 4: Percentage economic sector GDP performance (1993-2017)



The largest contribution to finance and insurance GDP provincially were Gauteng, Western Cape and Kwa Zulu-Natal. Collectively, these provinces make up 73% of GDP. Hence, the need for INSETA to focus primarily on these provinces, without excluding the others.

The data also points to the potential to improve the sales of insurance products in Mpumalanga, North West, Eastern Cape, Northern Cape, Limpopo and the Free State.

1.5 LABOUR MARKET PROFILE

We draw statistics from the Quarterly Labour Force Survey (2018) and Workplace Skills Plan (2018-2019) to profile the insurance sector labour market.

Insurance Sector Employment: The table provides the number of insurance sector employees and the total number of employees for all sectors over nine years.

Table 5: Number of employees (2010-2018)

Number of Employees	2010	2014	2018	Change 2010-2018	Change (%)
Insurance	145 490	174 574	192 442	46 952	32%
All sectors	8 345 765	9 210 366	9 732 309	1 386 544	16%

Source: Quarterly Employment Survey datasets, 3rd Quarter 2010; 2014; 2018

The insurance sector employed 145 490 people in 2010. It increased to 174 574 in 2014. In 2018, the sector employed 192 442 employees. There was an increase in headcount insurance sector employees of 46 952 over the period between 2010 and 2018. It translates into a 32% increase in employees in the insurance sector compared a 16% growth in employment for all sectors.

Employment in the insurance sector was twice that of all sectors. It is indicative of growing employment demand in the sector despite the economic downturn.

From a skills development perspective, it means that the INSETA is expected to serve a growing pool of employees with diverse training needs. It requires INSETA to scale up its training interventions and discretionary projects.

Gross Earnings: The figure provides gross earnings (billions) in the insurance sector and for all sectors over 09 years.

Table 6: Gross earnings (2010-2018)

Number of Employees	2010	2014	2018	Change 2010-2018	Change (%)
Insurance	9 790 031 032	18 984 188 230	23 777 648 793	13 987 617	143%
All sectors	317 220 217 041	479 447 658 993	652 611 376 918	335 391 159	106%

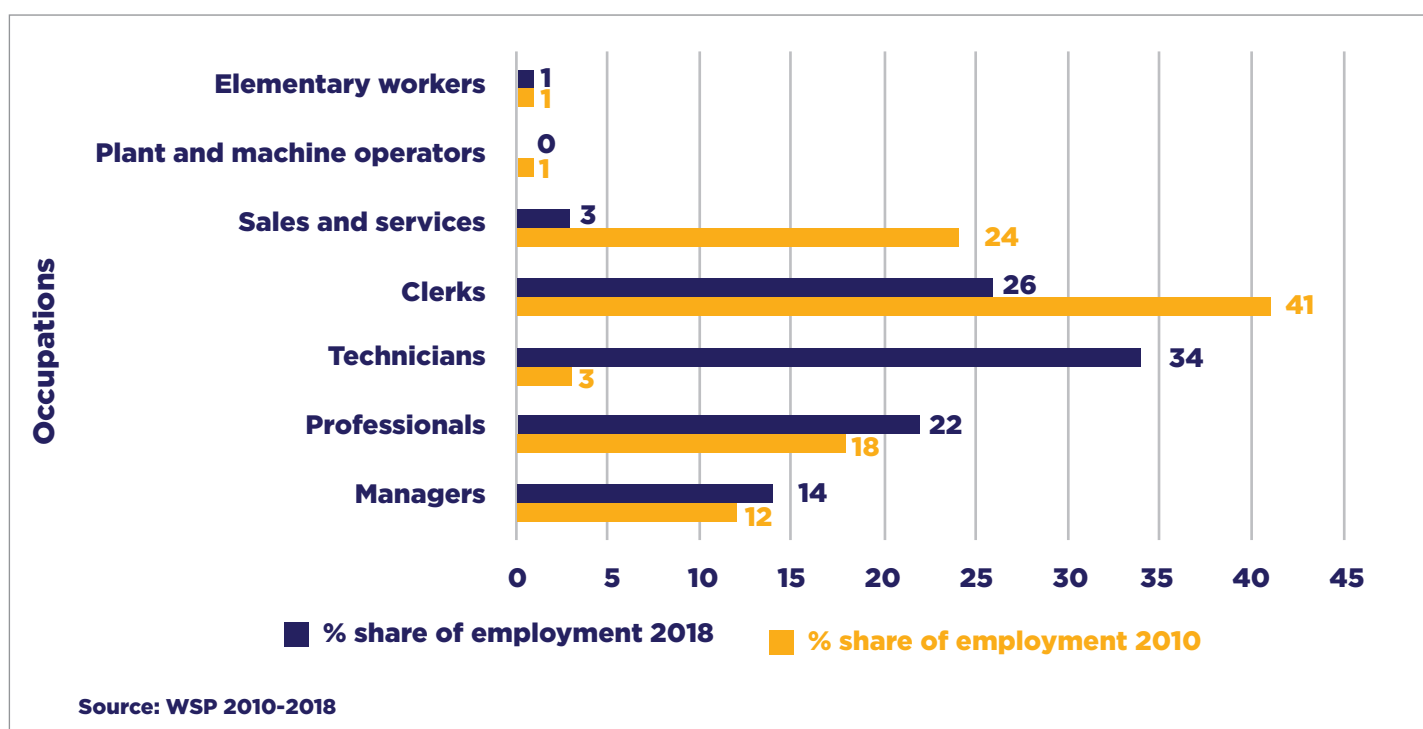
Source: Quarterly Employment Survey datasets, 3rd Quarter 2010; 2014; 2018

Gross earnings in the insurance sector outpaced earnings for all sectors by 37%. It is indicative of employment demand.

One of the reasons for higher than average earnings growth in the sector is the increasing demand for skilled employees by companies. The sector is experiencing skills-biased technological change, which effectively means that there is a shift for higher skills intensities in the sector.

With 4.0, the trend towards skills-biased technological change is expected to grow in the future.

Share of Employment: The figure shows percentage changes in the share of employment by major occupation categories in the insurance sector between 2010 and 2018.

Figure 6: Percentage share of employment (2010-2018)

The percentage share of employment declined sharply for clerks (-15%) and sales and service workers (-21%), while employment shares grew slightly for managers (+2%) and professionals (+4%).

Middle-level workers such as clerks and sales and service workers are being replaced by technology such as artificial intelligence (AI), social media, digitisation and other IT enablers. Middle-level occupations are being hollowed out of the sector.

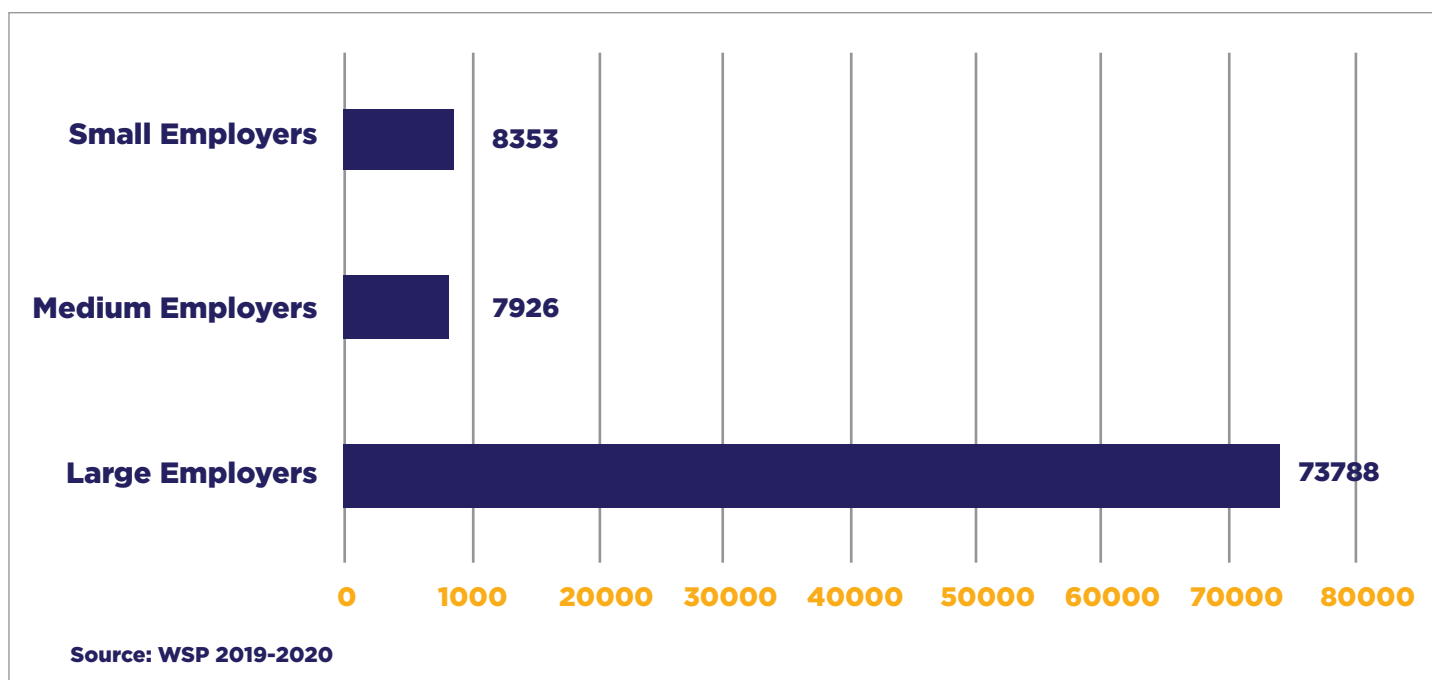
Convergence between insurance, banking and financial services means that insurance products are sold in banks and non-banking financial institutions. Insurance products are also sold in major retail outlets and across the counter for purchases such as motor vehicles and household appliances (short-term insurance).

There was a 31% growth of technicians in the insurance sector. Technicians are broadly representative of IT professionals in the sector.

As the sector adopts digital platforms, social media marketing channels, AI and informatics, there is a demand for IT professionals such as software developers, systems analysts, cloud specialists, IT technicians, database administrators and network professionals.

Employee Distribution by Company Size and Province: According to the Workplace Skills Plans for 2019-2020 received from insurance companies, the distribution of employees by company size is as follows:

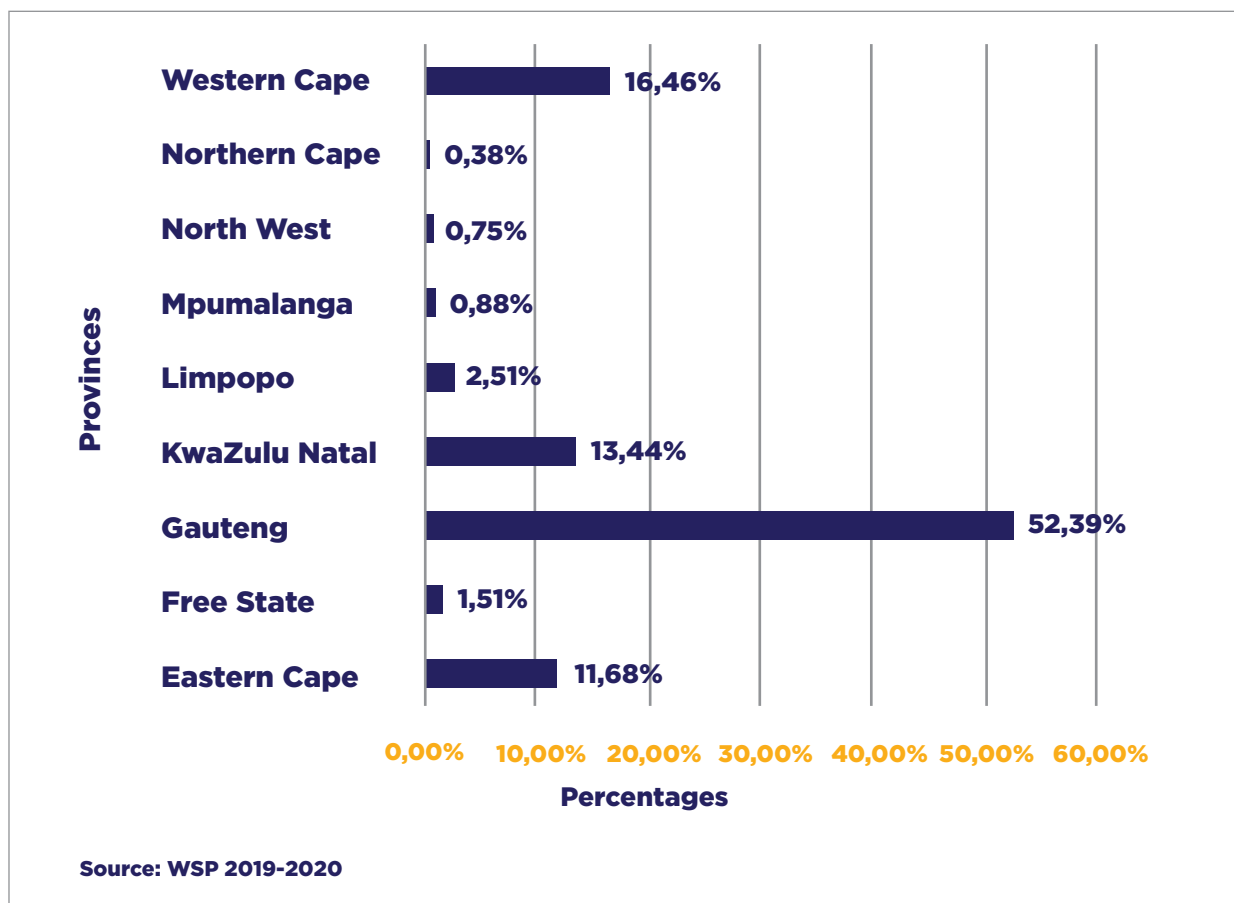
Figure 7: Employees by company size (2019-2020)



Large insurance companies (+150 employees) comprise 82% of the workforce. Medium insurance companies (+50-149 employees) comprise 8.8% of the workforce. Small insurance companies (1-49 employees) comprise 9.2% of the workforce. The bulk of employment is in large insurance companies.

Employer Distribution by Province: The distribution of employers by province is as follows:

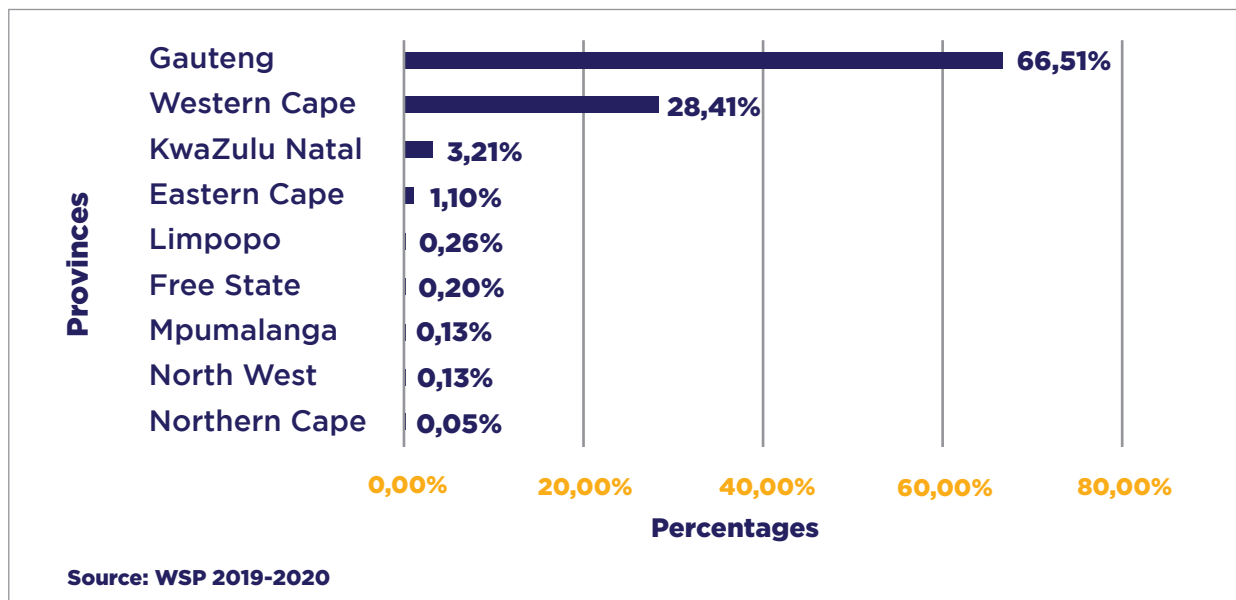
Figure 8: Employer distribution by province in percentages



Employers are highly concentrated sector in Gauteng (52.39%), the Western Cape (16.46%), KZN (13.44%) and Eastern Cape (11.68%). The high number of employees are in the Western Cape, which contrasts with the relatively smaller number of companies in that province. It indicates that large corporates are highly concentrated in this region. Small insurance employers dominate the Eastern Cape and KZN.

Employee Distribution by Provinces: The distribution of employees by province is as follows:

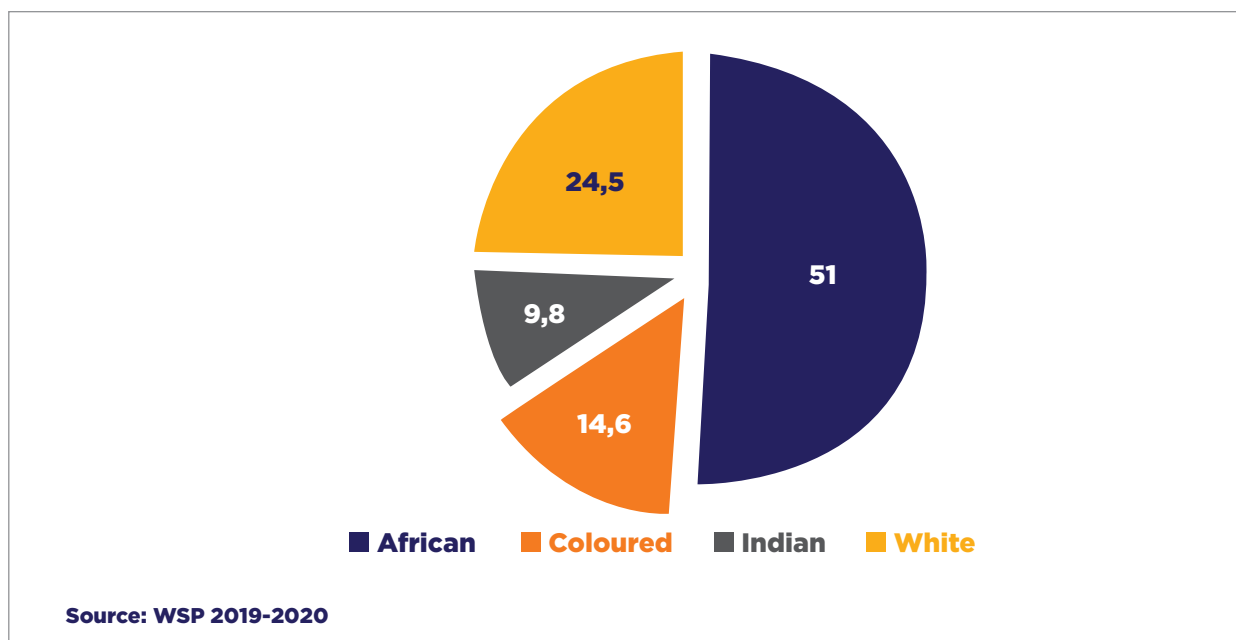
Figure 9: Employee distribution by province in percentages



About 66.51% of the employees are located in Gauteng and 28.41% in the Western Cape. Both provinces make up 94.92% of the workforce. Hence, the need to give attention to employers and employees in these provinces, without excluding other provinces.

Race, Gender and Age Breakdown: In terms of race, the workforce is characterised as follows:

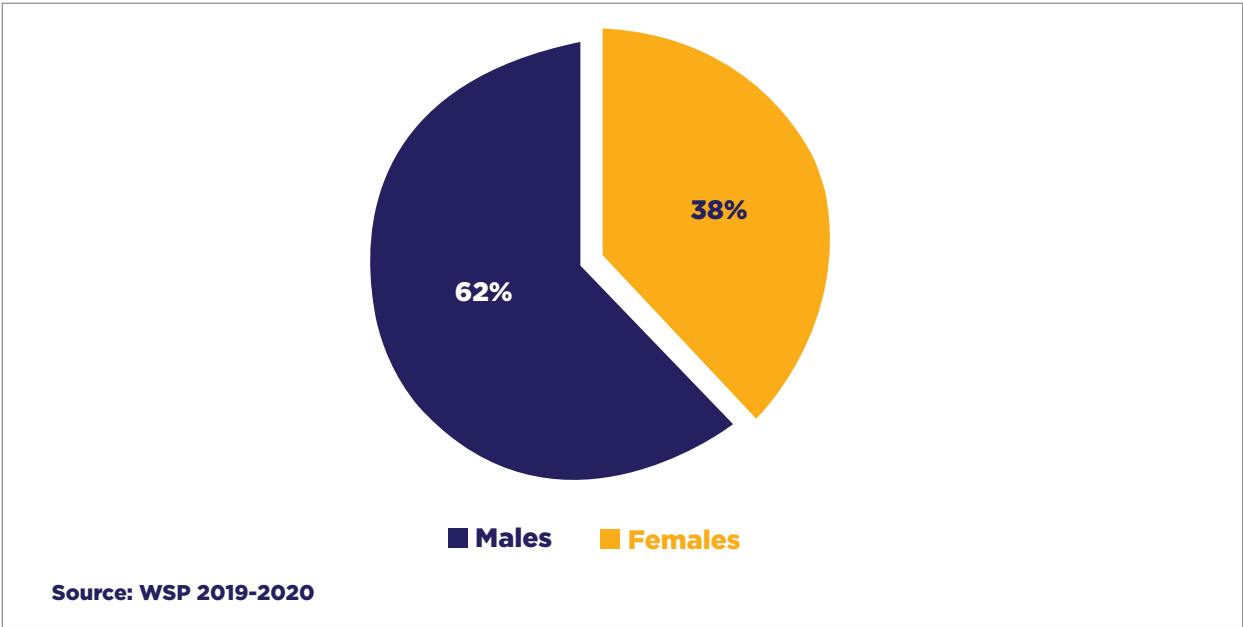
Figure 10: Percentage of racial breakdown (2019-2020)



The percentage of Black employees in the sector is 75,4%. The norm is 85% blacks. So the sector has to increase the number of black employees at all levels. In latter sections, these will be broken down by occupational levels to capture the nuances in race.

In terms of gender, the workforce is characterised as follows:

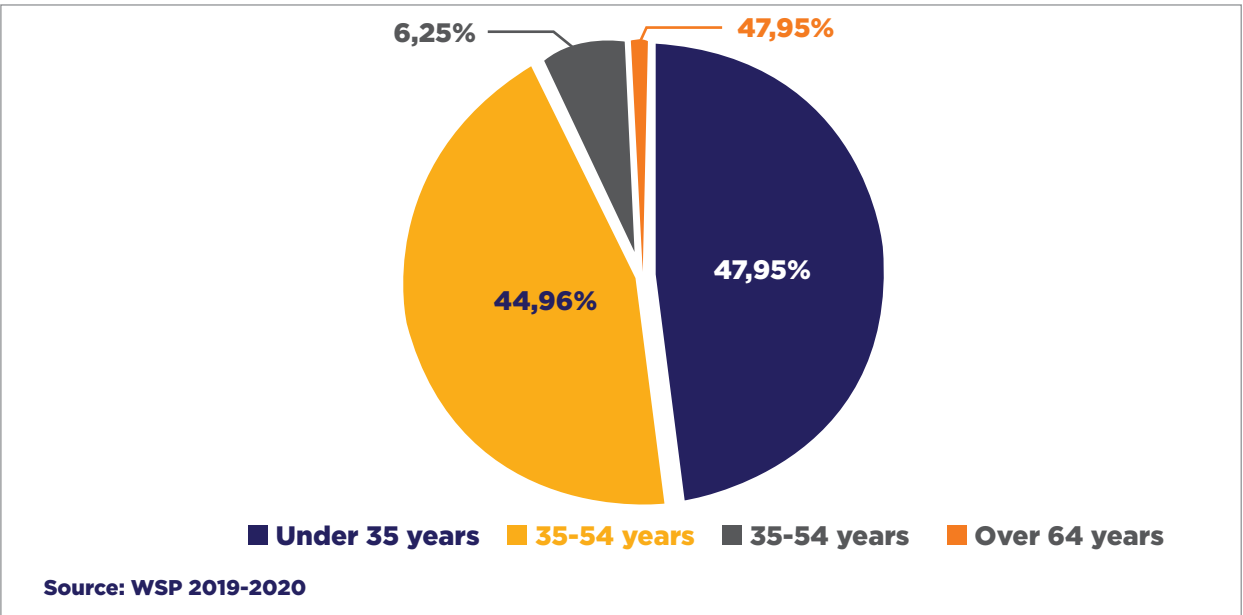
Figure 11: Percentage gender breakdown (2019-2020)



In terms of gender, the females make up 62% of the sector compared to 38% males. The norm is 54% females, so the sector has a majority of females. In latter sections, these will be broken down by occupational levels to capture the nuances in gender.

In terms of age, the workforce is characterised as follows:

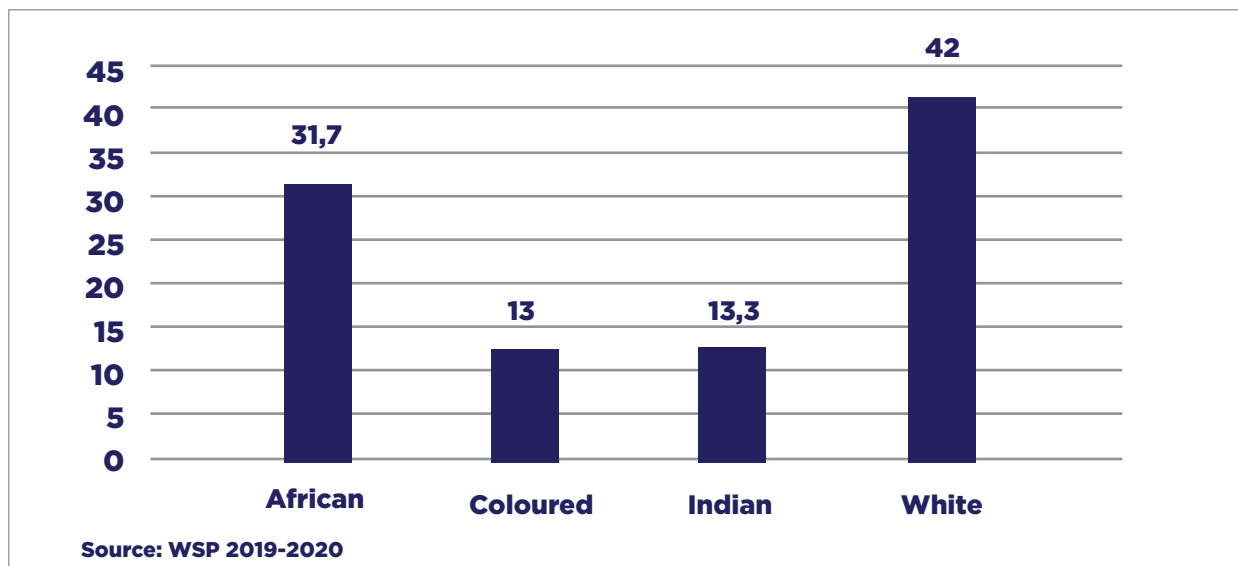
Figure 12: Percentage age breakdown (2019-2020)



Almost half the workforce is under 35 years. The sector should be sensitive to this age group.

Distribution of Managers: The distribution of managers by race group is as follows:

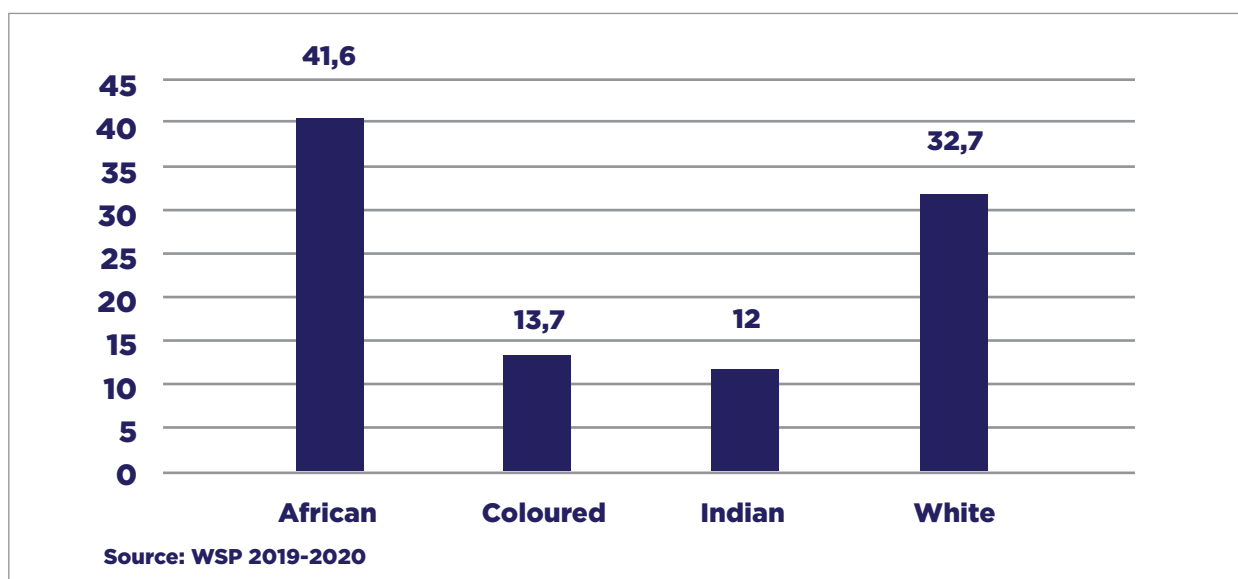
Figure 13: Distribution of managers by race group (2019-2020)



Whites are in the majority at the manager level. Hence, there is a need for increasing the number of Blacks (African, Coloured and Indian) at the management level. There is a need for management development programmes focused on developing black managers and transforming the demographics of the management structure. Other interventions include succession planning, coaching and mentoring programmes to promote black managers into management positions.

Distribution of Professionals: The distribution of professionals by race group is as follows:

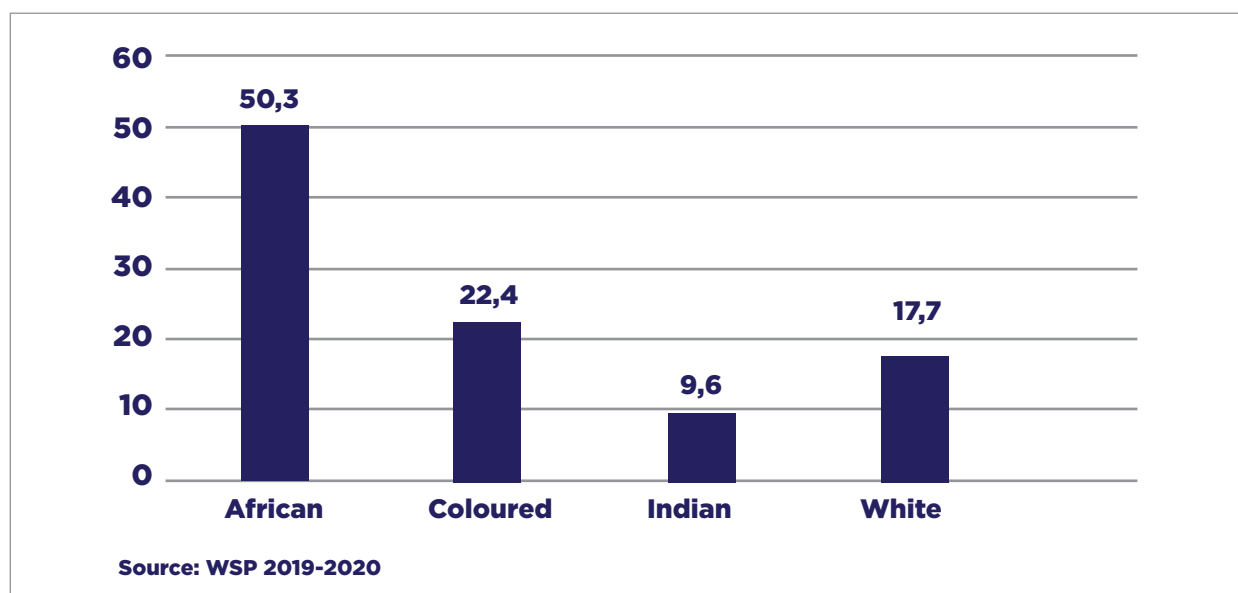
Figure 14: Distribution of professionals by race group (2019-2020)



The majority of professionals in the sector are Africans, followed by Whites. Hence, there is evidence of transformation at this level.

Distribution of Clerical Workers: The distribution of clerical workers by race group is as follows:

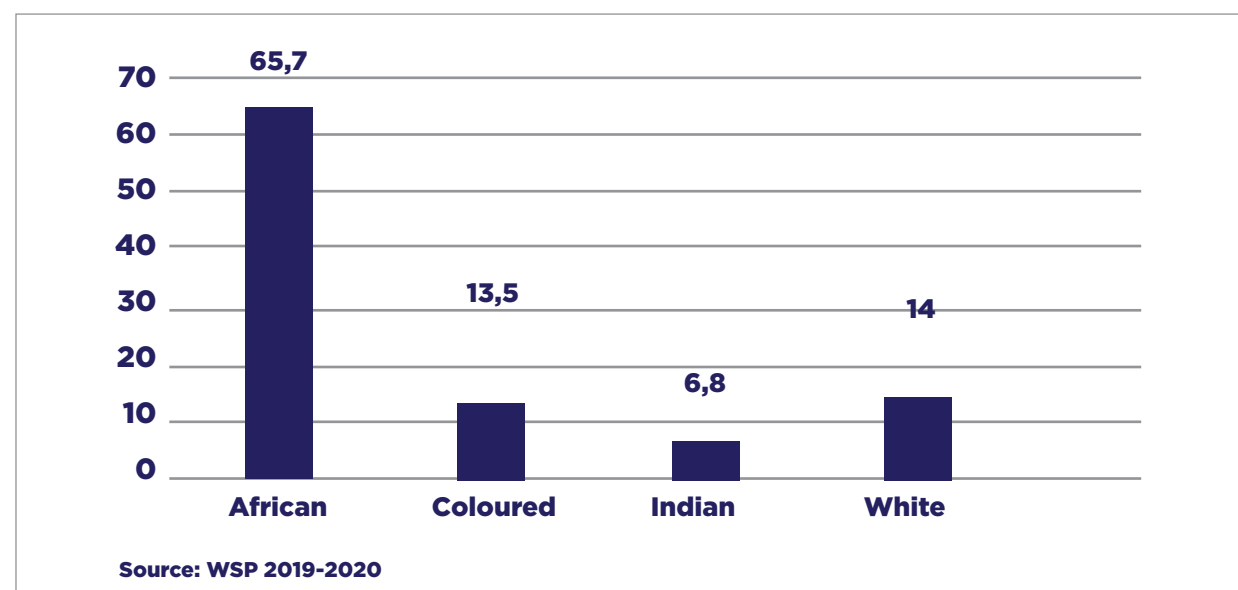
Figure 15: Distribution of clerical workers by race group (2019-2020)



The majority of clerical workers in the sector are Africans, followed by Coloureds and Whites. Hence, there is evidence of transformation at this level.

Distribution of Service and Sales Workers: The distribution of service and sales workers by race group is as follows:

Figure 16: Percentage distribution of services and sales workers by race group (2019-2020)



The majority of services and sales workers in the sector are Africans, followed by Whites and Coloureds.

The key part of the value chain is the sales of insurance products. Without sales, the sector is not sustainable. Hence, there is a need to pay emphasis to market and sales of insurance products.

Marketing and sales should thus be a key component of management programmes offered to employees in the sector. Training in customer services, interpersonal communication and team working is also needed.

Transformation Imperatives: In terms of training by race, the picture for the insurance sector is as follows:

Table 7: Transformation imperatives

African	Coloured	Indian	White
51%	14.6%	9.8%	24.5

Source: WSP 2019-2020

75.4% of employees who were trained in the insurance sector are blacks compared to 24.5% whites. The target set by NSDS III is 85% for Blacks. Hence there is a shortfall in the percentage of Blacks trained in the sector.

In terms of people with disabilities, 0,87% were trained. It falls short of the 4% target for people with disabilities.

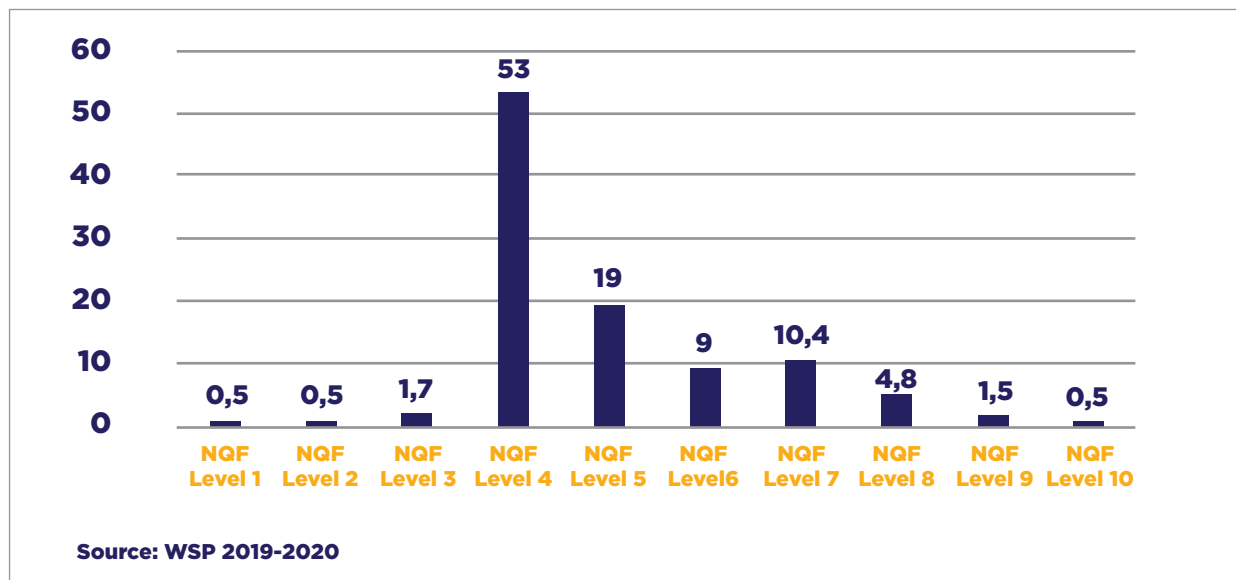
The INSETA needs to scale up the training of Blacks and people with disabilities in the sector.

There is a need to increase the supply of black graduates into placement, increase internships of students, and explore ways to encourage graduates into the sector.

These efforts are informed by a tracer study which is underway to find the ratio between graduation and employment.

Qualifications of Employees: The qualifications of the workforce are as follows:

Figure 17: Qualification of employees in percentages (2019-2020)



The majority of the workforce (53%) have NQF Level 4 qualifications (Matric equivalent). Interestingly, 45.2% of employees have a tertiary qualification.

The insurance sector is essentially a tertiary education sector since the majority of employees who possess an NQF Level 4 qualification have entry to higher education.

With the advent of the 4.0, the sector is influenced by skills-biased technological change. It means that the sector requires employees with higher skills intensities.

1.6 CONCLUSION

The insurance sector has shown resilience in the face of harsh economic conditions since 2008, which was characterised by the meltdown in global financial markets. The sector has also managed to increase employment in a tight labour market.

Interestingly, the majority of workers possess at least an NQF Level 4 qualification (Matric). It means that they are highly trainable to engage with the dynamics of the 4.0 industrial revolution. Insurance is essentially a tertiary sector as most occupations in high demand require a higher education qualification.

The sector should be doing more to address its transformation imperatives. In the next chapter, key skills change drivers in insurance are discussed.



CHAPTER TWO: KEY SKILLS CHANGE DRIVERS

CHAPTER TWO

2.1 INTRODUCTION

This chapter focuses on the key skills issues that impact on skills development in the insurance sector. The INSETA is continually researching key change drivers that are impacting on skills development in the sector through its various research projects and stakeholder engagements. The major change drivers impacting on skills development in the sector is consistent with the previous iteration of the Sector Skills Plan.

Information on change drivers and its impact on skills development have been acquired from the following sources:

- An expansive literature review of trade publications.
- Interviews with key informants in the sector.
- Discussions with human resource development experts in the Research and Programme Learning Steering Committee.
- Information obtained from Board members at a strategic planning conference.
- Information acquired by INSETA managers at conference and networking events.

Based on the above, INSETA has identified the following change drivers impacting on skills demand and supply in the sector:



We are particularly concerned with skills-related change drivers – change drivers that have skills development impacts.

2.2 KEY CHANGE DRIVERS

The following have been identified as key change drivers in the sector:

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
TECHNOLOGY	
<ul style="list-style-type: none"> ■ Technology is disrupting insurance companies. This disruption is referred to as the 4th industrial revolution (4.0) and involves the application of artificial intelligence, robotics, big data, digitisation, digital marketing, blockchain, predictive analytics and machine learning. ■ Clients want seamless, quick and transparent interactions, and this requires a new kind of marketer (salesperson) that is tech-savvy. ■ 4.0 presents opportunities for first-time entrants into the insurance sector to acquire in-demand skills and pursue non-traditional career paths. ■ Companies need to offer faster and cheaper products; create online tools to “sweat” their distribution channels; develop digital portals, customer self-service and automation of back-end processes. ■ Online social networking has emerged as an active component of social interaction. Financial institutions are looking to gain a competitive advantage while also trying to mitigate the threats posed by social media. Many companies are now using social media to revolutionise the traditional business models. ■ Financial technology companies (FINTECHs) are start-ups trying to disintermediate incumbent economic systems and challenge traditional corporations. The FinTech market is booming and captured over US\$12 billion investments since 2015. New start-ups are popping up at an increasing pace, and large banks and insurance companies are being pushed toward increasing digital operations to survive. 	<ul style="list-style-type: none"> ■ There are attractive career opportunities for graduates who can work in technology areas such as cyber-security, blockchain, AI, predictive analysis, social media, digital marketing, open-source and machine learning. ■ The critical success factors for insurance companies are developing workforce skills that can: <ul style="list-style-type: none"> • use “big data” to manage client relationships, design new insurance products, and reach new markets. • find the right “young” talent. • give clients a superior relationship experience. • create innovative products. • digitise business operations. • attend to cyber-security risks.

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
CLIMATE CHANGE	
<ul style="list-style-type: none"> ■ Climate change is a significant challenge facing the insurance sector. ■ Since climate change is linked to the rise in frequency and severity of natural disasters, it is an issue for insurers. ■ The following is expected to emerge in the next five years for the global insurance sector: <ul style="list-style-type: none"> • The G-20's Financial Stability Board Task Force on Climate-related Financial Disclosures has issued recommendations, including disclosure of board oversight and of management's role in assessing climate-related risks and opportunities. • Disclosure of climate-related financial information is a prerequisite for financial firms not only to manage and price climate risks appropriately but also to make lending, investment or insurance underwriting decisions. • Regulators are also urging disclosure of climate change assessment metrics, risk management strategies and climate change risk reporting. ■ The impact of climate change for the sector are the following: <ul style="list-style-type: none"> • Increased uncertainty for investors/loss of market confidence. • Asset fire sales causing falls in asset prices. • Reduction in insurance and lending to unaffected areas. • Fall in collateral values. • A weakening of household and corporate balance sheets. • Limited financing available for reconstruction from physical damage. • Fall in output in affected areas. 	<ul style="list-style-type: none"> ■ Reskilling is required to factor climate change in the following areas: liability, underwriting, marketing, risk management, regulations, investment, strategic, operational, reputational, pricing and asset risks. ■ Training of company board in assessing climate-related risks and opportunities. ■ Review of insurance qualification curricula to include climate change issues impacting on the sector. ■ Skills to develop climate change assessment metrics, risk management strategies and climate change risk reporting. ■ Research on climate change and its impact on the insurance sector.

Source: Deloitte. 2019. Growing economy bolsters insurers, but longer-term trends may require transformation.

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
PRODUCT DEVELOPMENT	
<ul style="list-style-type: none"> ■ Most insurers are struggling with innovative product development. They are working with constraining regulatory oversight, siloed business lines, legacy technology, and long-established processes and culture. ■ This challenge will be exacerbated by rapid, fundamental changes in society, the economy, and technology. The sharing and gig economies could fuel rising expectations for enhanced customer experience based on convenience and customisation while blurring the boundaries of commercial and personal insurance lines as well as undermining the relevance of many standard coverages. ■ A survey of life insurance consumers indicated that 90% of buyers revealed a preference for self-management of existing policies through digital channels. ■ Several InsurTechs are already engaging in real-time coverage. Tróv, a global on-demand insurance agency, uses an application that enables consumers to insure single items such as cameras and digital devices with coverage that can be activated and terminated at any time over a mobile app. 	<ul style="list-style-type: none"> ■ The sector should be training and designing programmes in new product development and FINTECH start-ups. ■ The focus of product development and training should shift to responding to consumer preferences for personalisation and flexibility of insurance policies and services; dispensing with traditional products; real-time, consumer-activated insurance; distribution system to meet evolving consumer needs; new approaches, platforms, and policy designs; and bolstering IoT.

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
ECONOMY	
<ul style="list-style-type: none"> ■ The South African economy has been performing poorly over the last ten years. High employment means that the significant proportion of the economically active population is out of work and cannot access insurance products. ■ Other problems afflicting the South African economy is what is commonly referred to as “state capture”, high fuel and transport prices, lack of business growth, high costs of doing business, high food inflation, restrictions in doing business, high costs of data, monopolies, poor governance of state-owned entities and local municipalities. 	<ul style="list-style-type: none"> ■ If the current economic performance of the economy continues, that is a possibility of retrenchments and downsizing by companies. ■ There will be a need for risk mitigation strategies such as the Training Layoff Scheme to prevent retrenchments.

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
FUTURE WORK	
<ul style="list-style-type: none"> ■ Insurers find it challenging to hire specialist IT experts, data scientists and actuarial talent. ■ Robotic process automation and artificial intelligence that can automate manual tasks are rapidly infiltrating the sector, remaking or eliminating jobs that are labour intensive. ■ The time and attention of actuaries, underwriters, claims adjusters and other key players will likely be freed up for higher-level tasks. ■ Employees should ultimately be spending more time on ideation and decision making—and far less on computation and distillation. ■ Insurers are also putting plans in place to respond to broader, fundamental employment shifts as more professionals join the open talent economy—a blend of full- and part-time workers, short-term contractors, and freelancers. 	<ul style="list-style-type: none"> ■ Insurers will likely be challenged to retrain and repurpose workers impacted by tech upgrades to make more productive use of their time and talent. ■ Most insurers are analysing jobs, determining which capabilities should be automated, and establishing what new skill sets may be required to maximise the value employees can bring in the wake of automation. ■ This requires the development of new qualifications in the sector.

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
REGULATORY ENVIRONMENT	
<ul style="list-style-type: none"> ■ The new Insurance Act took effect effective from 1 July 2018 and will eventually replace the existing Long-term and Short-term Insurance Acts. ■ National Treasury has established a working group to develop the Conduct of Financial Institutions (CoFI) Bill. It will provide the framework for licensing based on the type of activity (this relates to financial services offered). Secondary legislation under the Financial Sector Conduct Authority (FSCA) will include Insurance Notices, Policyholder Protection Rules (PPRs), other Regulations and Conduct Standards. ■ As of 1 April 2018, South Africa became the eighth country in the world to adopt a Twin Peaks regulatory model. As a result of the enactment of the Financial Sector Regulation (FSR) Act, the following two regulators were established: <ul style="list-style-type: none"> • The Prudential Authority (PA) – responsible for maintaining stability in the financial system • The Financial Sector Conduct Authority (FSCA) – responsible for market conduct and consumer protection. The Twin Peaks model will be implemented in two phases with primary and secondary legislation to be published under both regulators. 	<ul style="list-style-type: none"> ■ Industry stakeholders need to be trained in applying the new legislation in all operational activities. ■ The CoFI Bill makes provision for FSPs (who are sole proprietors), key individuals and representatives develop and maintain professional competence for providing financial services. The Bill supports the professionalisation of the financial services industry. Professionals are required to upgrade their knowledge and skills to ensure that clients receive competent professional services. ■ INSETA will need to establish a CPD system.
<p>THE TWIN PEAKS LANDSCAPE</p> <pre> graph TD subgraph FSCA [FSCA] M1[MARKET CONDUCT SUPERVISION] M2[FAIR TREATMENT OF CUSTOMERS] M3[MARKET INTEGRITY & EFFICIENCY] M4[FINANCIAL EDUCATION] M1 --- M2 --- M3 --- M4 end subgraph PA [PA] P1[PRUDENTIAL SUPERVISION] P2[FINANCIAL SOUNDNESS OF: -Financial Institutions that provide financial Financial Products and Security Services] P3[Protect customers against the risk that Financial Institutions may fail] P1 --- P2 --- P3 end subgraph SARB [SARB] S1[Overall Financial Stability] end FSCA --- PA FSCA --- SARB PA --- SARB </pre> <p>The diagram illustrates the Twin Peaks regulatory model. It features three main components: the Financial Sector Conduct Authority (FSCA), the Prudential Authority (PA), and the South African Reserve Bank (SARB). The FSCA is responsible for Market Conduct Supervision, which includes Fair Treatment of Customers, Market Integrity & Efficiency, and Financial Education. The PA is responsible for Prudential Supervision, which includes Financial Soundness of Financial Institutions that provide financial products and security services, and protecting customers against the risk that financial institutions may fail. The SARB is responsible for Overall Financial Stability. The FSCA and PA are shown as the two peaks of the landscape, both contributing to the overall financial stability managed by the SARB.</p> <p>Source: Financial Services Conduct Authority</p>	

2.3 POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY

National policies and legislation inform the INSETA's Strategic Plan and Annual Performance Plan. It demonstrates the alignment of the INSETA Strategic Plan to government's national policies and strategies.

NATIONAL DEVELOPMENT PLAN 2030 (NDP)

- The National Development Plan 2030 has identified the following 9 key areas to achieve a development approach that is sustainable and inclusive:
 - Creating jobs and livelihoods
 - Expanding infrastructure
 - Transitioning to low-carbon economy
 - Transforming urban and rural spaces
 - Improving education and training
 - Providing quality healthcare
 - Building a capable state
 - Fighting corruption and enhancing accountability
 - Transforming society and uniting the nation
- It is imperative to reduce the regulatory burden on small businesses and facilitate access to the labour market by young, unskilled work seekers (National Planning Commission, 2012). With regard to structural challenges, it is vital that INSETA supports and makes provision for "retraining".

HUMAN RESOURCE DEVELOPMENT STRATEGY FOR SOUTH AFRICA 2010-2030

- Strategic priorities of the above strategy that impact on skills planning initiatives include:
 - **Strategic Priority 4:** To ensure that all new entrants to the labour market have access to employment-focused education and training opportunities. INSETA supports this skills priority by ensuring that education and training is linked to scarce and critical skills and qualification development.
 - **Strategic Priority 7:** To ensure that education and training outcomes are equitable in terms of race, gender, disability and geographic location. INSETA incorporates these variables into its projects when scoping for them to ensure that the prerequisites of the B-BBEE Act and the Financial Sector Charter (FSC) are met.
 - **Strategic Priority 9:** To meet INSETA's skills planning needs in relation to this skills priority, where the minimum level required is NQF Level 4 (for employed and unemployed individuals). INSETA funds skills programmes for workers and unemployed youths where unit standards relevant to the insurance sector are offered.

WHITE PAPER FOR POST-SCHOOL EDUCATION AND TRAINING

- Set out strategies to improve the capacity of post-school education and training system to meet SA's needs.
- It is a vision for an integrated system of post-school education and training, with all institutions playing their role as parts of a coherent but differentiated whole. These institutions include the colleges and universities whose main purpose is the direct provision of education and training and, in the case of universities, the conduct of research. They also include institutions that support the education and training process, such as the Sector Education and Training Authorities, the National Skills Fund and the advisory, regulatory and quality assurance bodies such as the South African Qualifications Authority (SAQA) and the Quality Councils.
- The White Paper also recognises the importance of partnerships between educational institutions and employers. Most students are preparing for careers in the labour market, and practical experience in the world of work is an invaluable part of their training. Even those students who do not find jobs in the formal labour market will benefit from practical workplace experience as they seek alternative ways of earning sustainable livelihoods. Employers must be drawn closer to the education and training process; they are among its major beneficiaries and must contribute to its success.

NATIONAL SKILLS DEVELOPMENT PLAN (NSDP)

- The NSDP derives from the broader plan of government, namely the National Development Plan (NDP), which aims to put in place the framework whereby we 'build the capabilities our citizens to make our future work'. The NDP notes that "several challenges require attention, including a critical shortage of skills, a complex intergovernmental system, high levels of corruption, weak lines of accountability, inadequate legislative oversight and a long history of blurring the lines between party and state.
- The outcomes of the NSDP are:
 - Identify and increase production of occupations in high demand
 - Linking education and the workplace
 - Improving the level of skills in the South African workforce
 - Increase access to occupationally directed programmes
 - Support the growth of the public college institutional type as a key provider of skills required for socio-economic development
 - Technical and Vocational Education and Training Colleges
 - Community Education and Training Colleges
 - Skills development support for entrepreneurship and cooperative development
 - Encourage and support worker-initiated training
 - Support career development services

2.4 CONCLUSION

Technology is disrupting the insurance companies and the sector. This disruption is referred to as 4.0 and involves the increasing use of artificial intelligence, robotics, big data, digitisation, digital marketing, blockchain, predictive analytics and machine learning.

Climate change is one of the most significant challenges facing the insurance sector and is an immediate to a long-term issue. Reskilling is required to factor climate change in the following areas: liability, underwriting, marketing, risk management, regulations, investment, strategic, operational, reputational, pricing and asset risks.

Most insurers are struggling with innovative product development. There is also a need to train employees on the regulatory changes in the industry.



CHAPTER THREE: OCCUPATIONAL SHORTAGES AND SKILLS GAPS

CHAPTER THREE

3.1 INTRODUCTION

This chapter focuses on identifying occupational shortages and skills gaps in the insurance sector. Firstly, it identifies Hard-To-Fill Vacancies (HTFVs) and skills gaps. Secondly, it examines the extent and nature of occupational supply which entails examining the state of education and training provision, problems experienced by employers and graduate outputs. And thirdly, it describes the research approach to devise a Sectoral Priorities Occupation List. Finally, the list is presented.

3.2 HARD-TO-FILL VACANCIES

Hard-To-Fill Vacancies (HTFVs) are a strong labour market signal of occupational demand. A HTFV survey was conducted in 2017 for the sector skills plan. In 2019, a sample of companies was contacted to update the survey.

A HTFV occupation is defined as the following:

HARD-TO-FILL VACANCY (HTFV) means a company is experiencing difficulty recruiting a suitably experienced and qualified person. It takes longer than six months to recruit a suitable candidate.

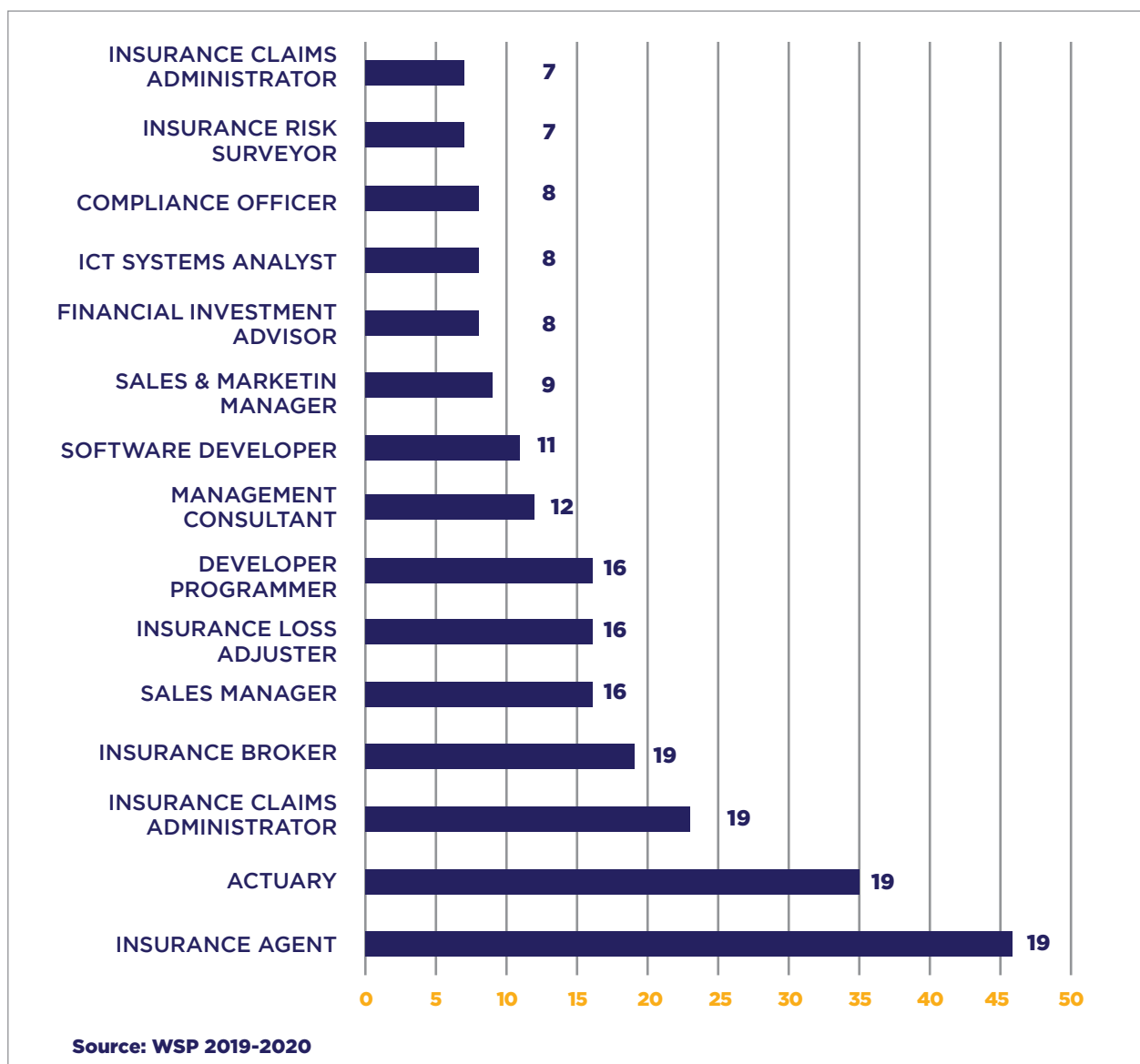
The HTFV survey is interested in obtaining the following information:

- Which occupations are Hard-To-Fill Vacancies (HTFVs) for your company in the past 12 months?
- The number of HFTVs per occupation in the past 12 months.
- Reasons for the HTFV:

1. Applicants lack the required educational qualifications required for the post.
2. Applicants lack appropriate work experience required for the post.
3. The remuneration and employment conditions are not appropriate for the post.
4. The post is in an inappropriate location.
5. Job is too demanding and/or does not have regular hours (shift work).
6. Work permit or visa difficulties.
7. Equity considerations (race, gender and/or disability).
8. Applicants' personality traits are not suitable for the post or the organisation.
9. Do not know.
10. Other.

In the Workplace Skills Plan for 2018-2019, companies were required to submit responses to HTFV questions. This was a representative sample based on a response of 608 companies comprising large employers (71), medium employers (95) and small employers (442).

Figure 18: Hard-to-fill vacancy occupations



The 608 companies that submitted workplace skills plans (WSPs) indicated that 15 occupations were Hard-To-Fill Vacancies, i.e., it takes longer than six months to find a suitably and experienced applicant.

The 608 companies indicated 241 HTFVs for the 16 occupations.

The three highest recorded HTFVs were insurance agent, actuary and insurance claims administrator.

The reasons given for HTFVs per occupation are the following:

Occupations	Reasons for HTFV (refer to key below)									
	1	2	3	4	5	6	7	8	9	10
Insurance claims administrator	4	1	1	1						
Insurance risk surveyor	4	3								
Compliance officer	3	2	2							1
ICT systems analyst	4	2		1					1	
Financial investment advisor	5	3								
Sales and marketing manager	4	2	3							
Software developer	5	3	1				1	1		
Management consultant	4	3	2					2	1	
Programme developer	6	4			2	1	1		1	1
Insurance loss adjustor	8	3	2	1	1	1				
Sales manager	6	5	3					2		
Insurance broker	7	9	1	1		1				
Insurance claims administrator	8	12					2			1
Actuary	27	6			2					
Insurance agent	16	21	7				1	1		
KEY: Reasons for HTFV										
1. Applicants lack the required educational qualifications required for the post.										
2. Applicants lack appropriate work experience required for the post.										
3. The remuneration and employment conditions are not appropriate for the post.										
4. The post is in an inappropriate location.										
5. Job is too demanding and/or does not have regular hours (shift work).										
6. Work permit or visa difficulties.										
7. Equity considerations (race, gender and/or disability).										
8. Applicants' personality traits are not suitable for the post or the organisation.										
9. Do not know.										
10. Other.										

The most common reasons for HTFVs are the applicants lack relevant qualifications; applicants lack relevant experience; and equity considerations (race, gender and/or disability). This is indicative of occupations in high demand and occupational shortages.

It is evident from the reasons for HTFVs that applicants lack the required educational qualifications required for the post and appropriate work experience required for the post. This is consistent with the high unemployment rate in South Africa. It makes it difficult to secure employment or find placement and internship opportunities.

Hence, there is a consistent complaint from graduates that they are disadvantaged in finding employment because they lack work experience.

The INSETA is currently working with several employer bodies in the sector to place graduates in the workplace. These initiatives are taking place through learnerships, internships and bursaries.

3.3 SKILLS GAPS BY MAJOR CATEGORY

Skills gaps refer to top-up skills need by employees. There are an infinite number of top-up skills needed by employees in the sector depending on their personal needs. Therefore, it is impossible to identify all of them. Based on the literature review, workplace skills plans and HTFV survey, the following top five skills gaps are identified.

MAJOR OCCUPATIONAL GROUP	TYPES OF SKILLS GAPS	
Managers	Legal governance & risk Management & leadership Marketing & sales Planning & organising Problem-solving	Project management Strategic thinking Interpersonal Financial Mentoring and coaching Negotiation
Professionals	Advanced IT & Software Communication (oral & written) Interpersonal Financial Legal governance & risk	Management & leadership Marketing & sales Planning & organising Problem-solving Mentoring and coaching Tax
Technicians	Advanced IT Communication (oral & written) Interpersonal	Legal governance & risk Supervisory
Clerical and Administrative Workers	IT Communication (oral & written) Interpersonal	Legal governance & risk Supervisory Administration
Sales Workers	Marketing and sales IT	Communication (oral & written) Interpersonal
Elementary Workers	Basic IT Communication (oral & written)	Interpersonal

The common skills are legal governance & risk, management & leadership, marketing & sales, planning & organising, problem-solving, finance, advanced IT, marketing and sales, communication (oral & written) and interpersonal.

3.4 SKILLS GAPS BY OCCUPATIONS

A composite profile of skills gaps associated with sectoral priority occupations in the insurance sector has been constructed. The tables below highlight the complexity of skills gaps associated with scarce skill occupations. These tables provide a construct of role activities, level of experience and key performance activities associated with the identified scarce occupations.

MAJOR OCCUPATIONAL GROUP	TYPES OF SKILLS GAPS
Insurance Agent (332101)	Insurance Sales meet fit and proper requirements (FAIS compliant); Personal, Commercial and Technical ; Medical Underwriting.
Insurance Broker (332102)	Building and maintaining business relationships with clients; discussing and assessing clients' current and future insurance needs; researching insurance policies and products; negotiating policy terms and costs with insurance providers; marketing and sales.
Actuary (212101)	Actuarial Analyst; Actuarial Assurance Specialist; Actuarial Consultant; Actuarial Manager; Group Benefits Actuarial Managers; and Management Professionals Moses testing; VBA; C++; Actuarial studies and exams; IT skills & programming; risk calculation; unique business need Consultant: Regulator Co-ordination & Advanced Analytics
Data Analyst (No OFO code)	Mathematical ability; programming languages, such as SQL, Oracle and Python; ability to analyse, model and interpret data; problem-solving skills.; and accuracy and attention to detail.
Insurance Loss Adjustor (331503)	Claims Adjuster experience; liability; investigating; communication Skills; customer Service; written Communication; Claim Handling; and estimating.
Financial Investment Advisor (241301)	Financial plans for individuals and organisations; investment strategies and taxation; securities, insurance, pension plans and real estate Investment Analyst Portfolio Manager Retail Implementation and Private Wealth
Fraud Examiner (242215)	Data analysis, deductive reasoning, search, analysing financial information, collecting evidence and interviewing witnesses and suspects.
Developer Programmer (251203)	Analyst Developer; Application Architect; Senior Developer (.Net); System Developer and Technical Developer Write programs in a variety of computer languages, viz. C++; Java Update; debug programs through testing and fixing errors; build and use computer-assisted software.
ICT Security Specialist	Intrusion detection, malware analysis and reversing, programming know-how, risk analysis and mitigation, cloud security, security analysis.
Organisational Risk Manager	Analytical skills and have an eye for detail Along with the ability to understand broad business issues Other skills are corporate governance; enterprise risk management; information and security risk; market and credit risk; regulatory risk; operational and technology risk; business continuity management.

3.4 SUPPLY OF OCCUPATIONS

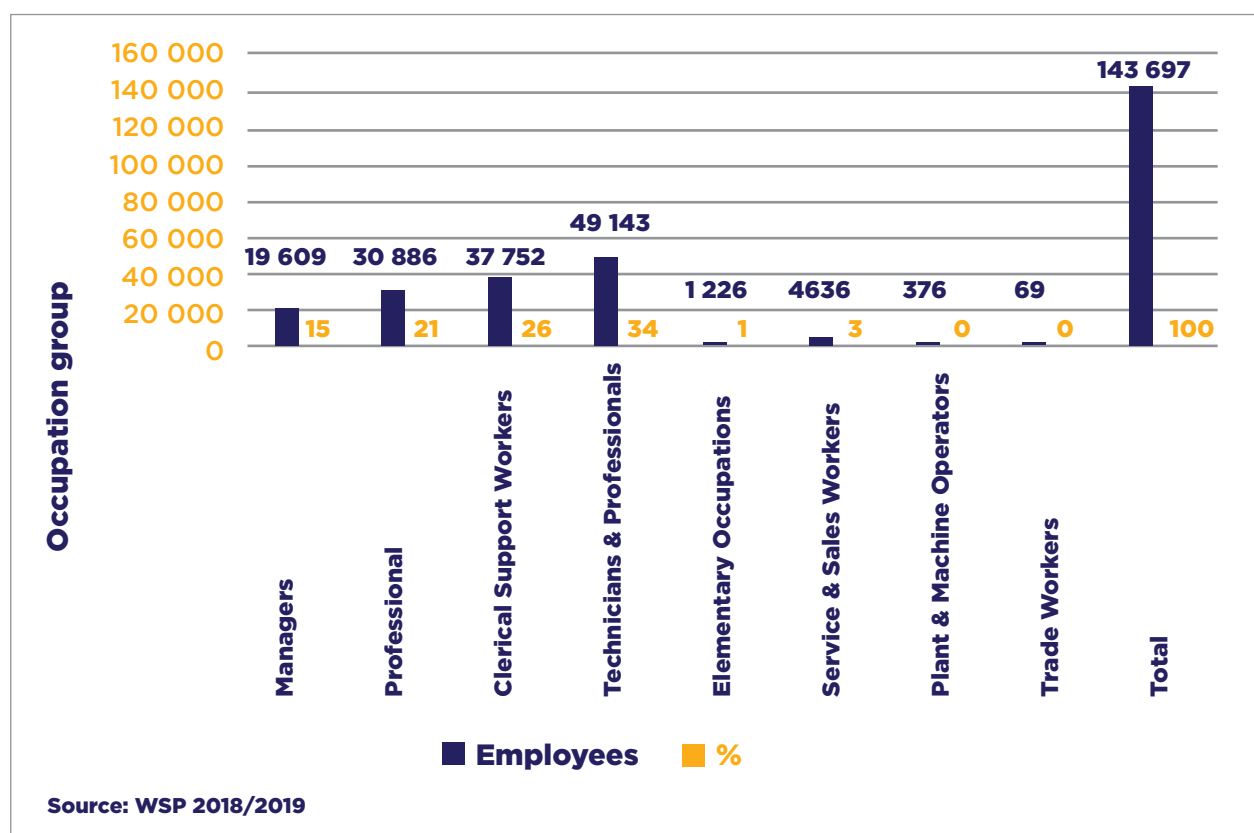
Any attempt to extrapolate occupational demand using the stock of occupations (supply) is fraught with difficulties because occupations are not industry or sector-specific. For example, a mechanical engineer may be employed in a bank, or a medical doctor in a large insurance company. Accountants are employed in all sectors. A teacher or real estate agent may take up employment as a financial advisor, and so on. Therefore, there is no direct skills match between a graduates' field of study (qualifications) and a job relating to their field of study.

At best, data on the supply of occupations provides information on the number of people at various occupation levels and the number of graduates by qualification types exiting education institutions annually. If compared over a period, it provides useful data on the flow of occupations and education levels in the labour market, but there is no way of knowing how many graduates, for example, will enter the insurance sector.

Our approach is based on the basic tenet of economic analysis that observing disaggregated changes at the margin provides a stronger signal of underlying forces than observing the stock. This means that we should focus on those parts of the market where occupational change happens more sharply.

The exhibit shows the number of people employed by major occupation groups in the insurance sector in 2018.

Figure 19: Employees per major occupational group



The figure shows the number of people employed by major occupation categories in the insurance sector in 2018. This is a top-heavy sector with 98% employed in the upper occupational strata – from managers to technicians.

3.5 WORKFORCE QUALIFICATIONS

The workforce qualification profile of the sector is the following:

Table 8: Employees qualification 2018

Qualifications	Number	%
Below NQF Level 1	166	0.13
NQF Level 1	155	0.12
NQF Level 2	520	0.42
NQF Level 3	1 565	1.26
NQF Level 4	77 637	62.57
NQF Level 5	17 886	14.42
NQF Level 6	8 510	6.86
NQF Level 7	9 740	7.85
NQF Level 8	4 438	3.58
NQF Level 9	1 355	1.09
NQF Level 10	55	0.04
Other	2 044	1.66
TOTAL	124 071	100

Source: WSP 2018/2019

About 77% of the workforce have NQF Level 4 and 5 qualifications in the sector. There are over 17% of employees with NQF Levels 6, 7 and 8 qualifications. With the onset of 4.0, the demand for people with higher skills intensities or advanced skills are likely to grow in the sector. Therefore, the “bulge” at NQF 4 and 5 will be expected to shift to NQF 6, 7 and 8. It will require greater investments in skills development.

3.6 SETA SUPPORTED PROGRAMMES

A number of workers registered for INSETA supported learning programmes, by programme type 2016-2017 is given below.

Table 9: Workers on INSETA supported programmes (2018-2019)

Learnerships			Skills Programmes			TOTAL	
Target	Actual	Achieved	Target	Actual	Achieved	Target	Actual
1 000	1 090	109%	3 700	4 323	117%	4 700	5 413

Source: WSP 2018/2019

There were 5 413 workers and the unemployed who completed INSETA supported programmes. This is a training rate of 3.8% for the sector annually (the ratio of the number of training incidents to the workforce).

3.7 PIVOTAL PROGRAMME COMPLETIONS

The table below presents the number of employees within the sector that have completed insurance specific qualifications since 2017 as per the Annual Training Report (2017-2018).

Table 10: Pivotal trained beneficiaries-sector sponsored qualifications

Qualification	Completions
Certificate Financial Products	2686
Bachelor of Commerce	2087
National Certificate: Wealth Management	1234
Higher Certificate in Wealth Management	999
Further Education & Training Certificate: Short-Term Insurance	914
Further Education & Training Certificate: Wealth Management	893
Higher Certificate: Short-Term Insurance	634
Certificate: Accounting	361
Certificate: Wealth Management	328
National Certificate: Long-Term Insurance	222
Certificate: Financial Planning	216
Further Education & Training Certificate: Long-Term Insurance	215
Certificate: Management	191
Advanced Certificate Nature Conservation Trans-Frontier Conservation Management	155
IISA Programme in Advanced Insurance (120 credits)	144
National Certificate: Information Technology: End-User Computing	123
Bachelor of Business & Commerce	116
Further Education and Training Certificate: Generic Management	115
Certificate: Middle Management Development Programme	111
Bachelor of Business Administration	100
Qualifications completed	11 844

Source: WSP 2018/2019

There are a relatively high number of completions in insurance qualifications, followed by commerce/accounting qualifications, management qualifications, trans-frontier conservation management (an exception to the general pattern), specialised IT qualifications, and business administration.

The figure shows the number of people employed by major occupation categories in the insurance sector in 2018. This is a top-heavy sector with 98% employed in the upper occupational strata – from managers to technicians.

3.8 TVET PROGRAMMES

The number of students that registered and completed NQ(V) Level 4 at TVET Colleges in 2016 is given below.

Table 11: Students on NQ(V) courses 2016

Courses	Registered	Wrote	Completed	%
Finance, Economics and Accounting	2 292	2 103	800	38
Information Technology and Computer Studies	525	1 403	313	22.3
Management	328	1 221	670	54.9
Office Administration	8 548	7 870	3 808	48.4

Source: DHET Statistics of PSET (2016) - Released March 2018

Admittedly, the insurance sector is not a major employer of TVET graduates. It tends to employ HEI graduates.

3.9 HIGHER EDUCATION PROGRAMMES

The number of students who graduated from public and private HEIs in business management in 2016:

Table 12: Public and private HEIs enrolments

Institutional Type	Business, Commerce & Management	
	Enrolment	Graduation
Public HEIs	264 934	113 518
Private HEIs	91 009	Not available

Source: WSP 2018/2019

There are more than 113 518 students graduating from public HEIs alone for business, commerce & management courses. The sector also draws students from other sectors such as science, engineering, IT and the social sciences.

Over 8 years, the number of enrolments in business, commerce & management courses is the following:

Table 13: Higher education enrolments and completions

Year	Business, Commerce & Management	
	Enrolments	Completions
2009	236 256	33 818
2010	278 843	41 657
2011	288 487	44 155
2012	282 299	46 042
2013	279 954	49 051
2014	272 409	50 381
2015	273 828	53 863
2016	264 934	56 364

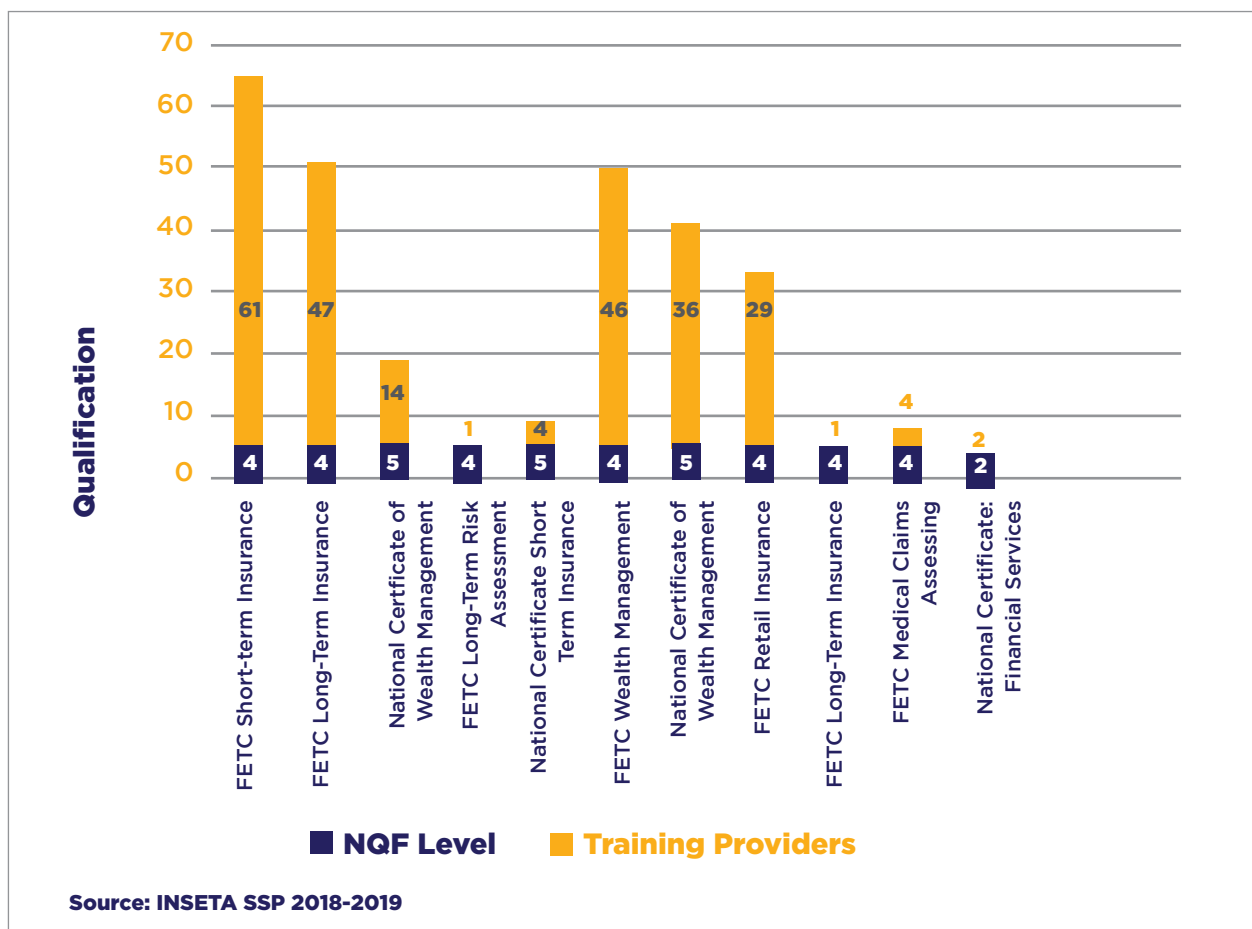
Source: DHET Statistics of PSET (2016)

Enrolments in public HEIs annually between 2009 and 2016 are exceptionally high. This represents 27.1% of total enrolments for all disciplines.

3.10 TRAINING PROVIDERS

There are 93 accredited training providers for insurance qualifications.

Figure 20: Number of training providers



Short-term insurance, long-term insurance, wealth management and retail insurance are most frequently offered.

3.11 FINDINGS OF OCCUPATIONAL SUPPLY

There are 93 accredited training providers for insurance qualifications.

The findings from the supply of skills are the following:

- The insurance sector should be focusing on skills development of people in the managers, professionals, clerical support workers and technicians group where 98% of employees are located.
- About 84% of the workforce have NQF Levels 4, 5, 6, 7 and 8 with 62.57% at NQF Level 4. The INSETA should be focusing on these NQF level employees.

- The training rate of 3.8% for the insurance sector annually (the ratio of the number of training incidents to the workforce) should be hiked up to 5% in the next year of SETA supported programmes.
- In the field of business, commerce & management, over 200 000 students are registering at public HEIs between 2009 and 2016 with over 50 000 graduating between 2014 and 2016. There are also students graduating from other fields of study. However, there is no way of knowing how many of these graduates join the insurance sector.
- There are a high number (93) of training providers offering insurance-specific programmes and unit standards mainly in short-term, long-term, retail insurance and wealth management.

3.12 SECTORAL PRIORITY OCCUPATIONS

Sectoral Priority Occupations were previously referred to as Pivotal Occupations. These are essentially high priority occupations in the sector.

Research Methods and Consultations

The Sectoral Priority Occupations List (2019) was derived for the following:

- An analysis of 608 WSP/ATRs for 2018-2019.
- The compilation of a research report on “Skills Demand, Skills Supply and Skills Mismatch in the Insurance Sector” (March 2019) by the INSETA Skills Planning and Research Division.
- An analysis of the DHET’s “Occupations in High Demand List” (2018).
- Interviews with industry experts in the insurance sector (2018).
- Consultation with the INSETA Research and Learning Programmes Steering Committee which consists of human resource development experts in the insurance sector.
- A strategic planning workshop with INSETA Board members (March 2019).
- Consultations with the INSETA research partner at Wits University.

The outcomes of these many deliberations were used to devise the Sectoral Priority Occupations List (2019).

Findings that Informed the List

The top 10 Sectoral Priority Occupations were identified at varying levels of frequency. The top five Sectoral Priority Occupations occurred at noticeably higher levels of frequency than the bottom five.

Quantities

The quantities are informed by a count per occupation for all occupations. The top 10 occupations were then ordered by rank. Quantities to be supported by the SETA were obtained from the Annual Performance Plan.

The list is ranked by priority. An exhaustive list of every PIVOTAL occupation was calculated together with the numeric count and percentage of total. From this, the top 10 Sectoral Priority Occupations were identified.

Basis of Interventions in the List

Suggested interventions are based on a composite profile of critical skills for the insurance sector (2015-2019) using multiple research methodologies. These included content analysis of skills gaps identified by stakeholder companies (to create common categories and reduce the number of categories), role activities, level of experience, and key performance activities associated with identified scarce-skill occupations. Skills gaps were identified through a numerical count of the skills identified, together with the associated percentage.

Envisioned Outcomes from Identified Interventions

The interventions are aimed at reducing occupational shortages and skills gaps in the occupational categories identified. The evaluation of the Sectoral Priority Occupations List also identified the reasons for occupational shortages and direct interventions

3.13 SECTORAL PRIORITY OCCUPATIONS LIST (2019)

The Top 10 Sectoral Priority Occupations for 2019/2020 are:

Table 14: Top 10 sectoral occupations for 2019/2020

PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	THE INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED Y/N	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED BY THE SETA	0-100	101-1000	1001 & ABOVE	COMMENTS
2020 - 2021	332101	Insurance Agent	Insurance Client Services Agent	Training on Commercial and Personal Lines insurance as well as Technical & Medical Underwriting. Focus on Fit & Proper Requirements in order to conduct effective insurance sales	NQF LEVEL 5		50	60	X			Pivotal skills training Funding mechanisms such as, bursaries, projects & skills programmes
2020 - 2021	332102	Insurance Broker	Short Term Insurance Consultant	Bursary, learnership and internship funding	NQF LEVEL 6		1000	1020			X	Pivotal skills training Funding mechanisms such as, bursaries, projects & skills programmes

PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	THE INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED Y/N	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED BY THE SETA	0-100	101-1000	1001 & ABOVE	COMMENTS
2020 - 2021	212101	Actuary	Actuary Manager Average Adjuster	Training of Actuaries to undertake Moses testing, VBA & C++ programming & Risk Calculations. Training of qualified actuaries to obtain long-term business experience	NQF LEVEL 7	Y	35	45	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required
2020 - 2021	No OFO code	Data Analyst	Data Scientist	Bursary, learnership and internship funding	NQF LEVEL 7	Y	100	120		X		Pivotal funding is directed at the full range of pivotal scarce & critical skills required
2020-2021	2017-331503	Insurance Loss Adjustor	Accident Claims Officer Insurance Loss Assessor	Training candidates in credit management, analytical, and administrative skills. Learning how to undertake a claims investigation	NQF LEVEL 4	Y	16	25	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required
2020 - 2021	241301	Financial Investment Advisor	Financial Agent Financial Planner	Funding of training projects for Financial Investment Advisor	NQF LEVEL 6		1000	1020			X	Pivotal skills training Funding mechanisms such as, bursaries, projects & skills programmes

PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	THE INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED Y/N	QUANTITY NEEDED	QUANTITY TO BE SUPPORTED BY THE SETA	0-100	101-1000	1001 & ABOVE	COMMENTS
2020-2021	2017-242215	Fraud Examiner	Fraud Investigator	Identify existing qualifications. and skills programmes. Offer learnerships. Bursaries and internships	NQF LEVEL 6	Y	30	40	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required
2020-2021	2017-251203	Developer Programmer	ICT Programmer Applications Developer	Training to develop high-level system developers, such as analyst, architect & technical developers	NQF LEVEL 7	Y	19	30	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required
2020-2021	2017-252901	ICT Security Specialist	ICT Security Architect Database Security Expert	Identify existing qualifications. and skills programmes. Offer learnerships. Bursaries and internships	NQF LEVEL 6	Y	60	70	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required
2020-2021	2017-242208	Organisational Risk Manager	Organisational Risk Adviser Organisational Development Manager	Funding of training projects for Organizational Risk Practitioners	NQF LEVEL 6		200	220			x	Discretionary Grant funding & Catalytic

3.14 CONCLUSION

The mismatch between what skills employers demand and its availability was discussed in this chapter. Most of the sectoral priority occupations and skills gaps identified, resonated with the skills change drivers in Chapter Two.

The evidence suggests that employers find it difficult to source specialist skills in various occupations. This problem is growing as a consequence of technological disruption.

There is a strong and consistent message for greater specialisation in programmes at tertiary institutions. More tailored or bespoke content to meet the changing needs of employers and the sector.

There is a need for public education institutions to increase collaboration with specialist private training providers who are more focused on a few programmes with greater depth. Tertiary institutions should utilise practitioners and alumni to bring cutting-edge development from industry into the classroom.

A key trend emerging is that companies increasingly require employees with a wide range of skills. Good education and technical skills form an essential foundation.

The demand for specialist mathematical, quantitative and investment expertise exceeds the supply.

A major area for the Insurance Sector is data analytics. Companies have vast quantities of consumer data at their disposal. The ability to identify trends and develop innovative solutions from the analysis of big data will become a vital competitive advantage.

Mastery of IT knowledge domains is a necessity for companies to stay competitive, particularly in the face of fintech companies. Technology staff need to gain expertise.

More financial regulations have led to a severe shortage of specialist expertise in regulation and compliance. The required expertise needed is the ability to apply legislation and make recommendations.

The biggest challenge is going to be attracting the next generation of insurance talent. Moreover, millennials already comprise more than 50% of the global workforce. Companies should start to look at talent differently.



CHAPTER FOUR: SETA PARTNERSHIPS

CHAPTER FOUR

4.1 INTRODUCTION

The purpose of this chapter is to assess the effectiveness of existing INSETA partnerships and present planned partnerships. INSETA partnerships are determined by sector skills priorities.

INSETA is involved in many partnerships. We have highlighted the major partnerships in this chapter.

4.1 ANALYSIS OF EXISTING PARTNERSHIPS

The existing partnerships are the following:

TITLE	TVET COLLEGE PARTNERSHIPS
What organisations is the SETA partnering?	TVET Colleges: Umfolozi, Vuselela, West Coast, Coastal, False Bay, Gert Sibanda, Ingwe, Letaba, Majuba, Mnambithi, Motheo, Northern Cape rural, Northern Cape urban, South Cape, Taletso, Thekwini, Tshwane North, South West Gauteng, Buffalo City, Cape Town, Flavius Mareka, Tshwane South, Ekurhuleni West, Port Elizabeth, Ikhala, East Cape Midland, Maluti, Orbit, Mthashana.
What is the nature, term and duration of the partnership?	The INSETA supports the placement of new entrants in learnerships, internships and workplace learning. INSETA started a lecturer development from 2016 to ensure that lecturers are trained as assessors and moderators. Term and Duration: 2018 – 2021.
What is the objective of the partnership?	The project targeted learners in public TVET Colleges. INSETA aims to increase training to unemployed learners in programmes that are related to the insurance sector.
What value is the partnership adding to the SETA?	The partnership is providing a pool of graduates for entry-level positions in the insurance sector. It is making training accessible outside the metro areas at affordable rates.
What is working successfully and why?	The following has been achieved: -328 TVET graduates supported to access workplace experience -1275 TVET graduates supported with workplace experience. -1200 TVETs graduates completing workplace experience. INSETA is developing insurance-specific qualifications in the TVET colleges from 2019.
What is not working successfully and why?	The development of qualifications is a lengthy process, which impedes the offering of new qualifications at TVET level. Some TVET Colleges lack an understanding of the insurance sector.
What gaps is the partnership addressing?	Supply a pool of entry-level skills to the SETA. It is assisting the SETA to meet its targets for public TVET support.
What should be done to strengthen partnerships not working well?	There is a need for more systematic and frequent engagement with TVET Colleges, particularly their management.

TITLE	RESEARCH PARTNERSHIP
What organisations is the SETA partnering?	University of Witwatersrand
What is the nature, term and duration of the partnership?	The INSETA has appointed Wits University as a research partner to provide research capacity to INSETA to fulfil its mandate.
What is the objective of the partnership?	The objective of the research partnership is to strengthen and improve research and innovation capacity in the insurance sector.
What value is the partnership adding to the SETA?	The research partnership portfolio is designed to bring new insurance-specific research leadership capacity to the university.
What is working successfully and why?	There is strong co-operation between Wits and INSETA to meet targets.
What is not working successfully and why?	There is a need for the partners to meet more frequently.
What gaps is the partnership addressing?	Skills planning research.
What should be done to strengthen partnerships not working well?	The main challenge is to market the partnership to the university community and INSETA stakeholders.

TITLE	OCCUPATIONAL LEARNING PROGRAMMES DEVELOPMENT
What organisations is the SETA partnering?	Insurance Institute of South Africa
What is the nature, term and duration of the partnership?	INSETA has partnered with the Insurance Institute of South Africa (IISA) for developing occupational qualifications in the short-term insurance industry.
What is the objective of the partnership?	To develop responsive qualifications to meet the needs of the labour market.
What value is the partnership adding to the SETA?	Enable the development of relevant occupational qualifications for the insurance sector.
What is working successfully and why?	The IISA has brought expertise for developing of occupational qualifications. The QCTO approved the qualification for underwriting.
What is not working successfully and why?	Qualifications development is a slow and costly process.
What gaps is the partnership addressing?	Developing qualifications for sectoral priority occupations.
What should be done to strengthen partnerships not working well?	There is a need to speed up the pace of qualifications development.

TITLE	EMPLOYERS FOR WORK PLACEMENTS
What organisations is the SETA partnering?	Professional bodies and industry associations in the insurance sector: IISA, ASISA, BATSETA, FPI, IRFA (see abbreviations)
What is the nature, term and duration of the partnership?	Promote work placements and internships among their membership for unemployed learners and graduates. Term and Duration: 2018 – 2020
What is the objective of the partnership?	The objective of this partnership is to obtain the support of professional bodies and industry associations in the insurance sector to promote work placements and internships among their membership for unemployed learners and graduates.
What value is the partnership adding to the SETA?	It is ensuring that investments in training are giving a return in the form of work placements and possibly employment.
What is working successfully and why?	Three hundred fifty-one university graduates completing workplace experience.
What is not working successfully and why?	The demand for work placements and internships exceeds supply.
What gaps is the partnership addressing in the SETA?	Providing learners with work experience.
What should be done to strengthen partnerships that are not working well?	More significant commitments should be extracted from companies to take on more students and graduates for work placements and internships.

TITLE	STRATEGIC INTEGRATED PROJECTS (SIPS) INTER-SETA PARTNERSHIP
What organisations is the SETA partnering?	21 SETAs
What is the nature, term and duration of the partnership?	INSETA is supporting the development of artisans through the Strategic Integrated Projects (SIPs), together with other SETAs.
What is the objective of the partnership?	The project is aimed at addressing the need for artisans to progress in their existing careers and for unemployed learners at entry-level to qualify for access into the insurance sector.
What value is the partnership adding to the SETA?	The partnership enables INSETA to contribute to meeting national targets towards artisan development.
What is working successfully and why?	The Centres of Specialisation at TVET Colleges are being established due to a joint effort by SETAs and the DHET. With support from GIZ/Skills for Green Jobs, short-term insurance underwriters, their outsourced partners, and INSETA. The sector is advocating and marketing Solar Water Heating (SWH) technologies. INSETA is working with the Department of Energy on the National Solar Water Heating Programme (NSWHP). This project has almost completed the training phase, and implementation from the insurance sector is now underway.
What is not working successfully and why?	The process is moving slowly to establish Centres of Specialisation at TVET Colleges.
What gaps is the partnership addressing in the SETA?	The partnership enables INSETA to contribute to meeting national targets towards artisan development.
What should be done to strengthen partnerships that are not working well?	The project should involve regular reporting to SETAs.

4.3 PLANNED PARTNERSHIPS

The planned partnerships are the following:

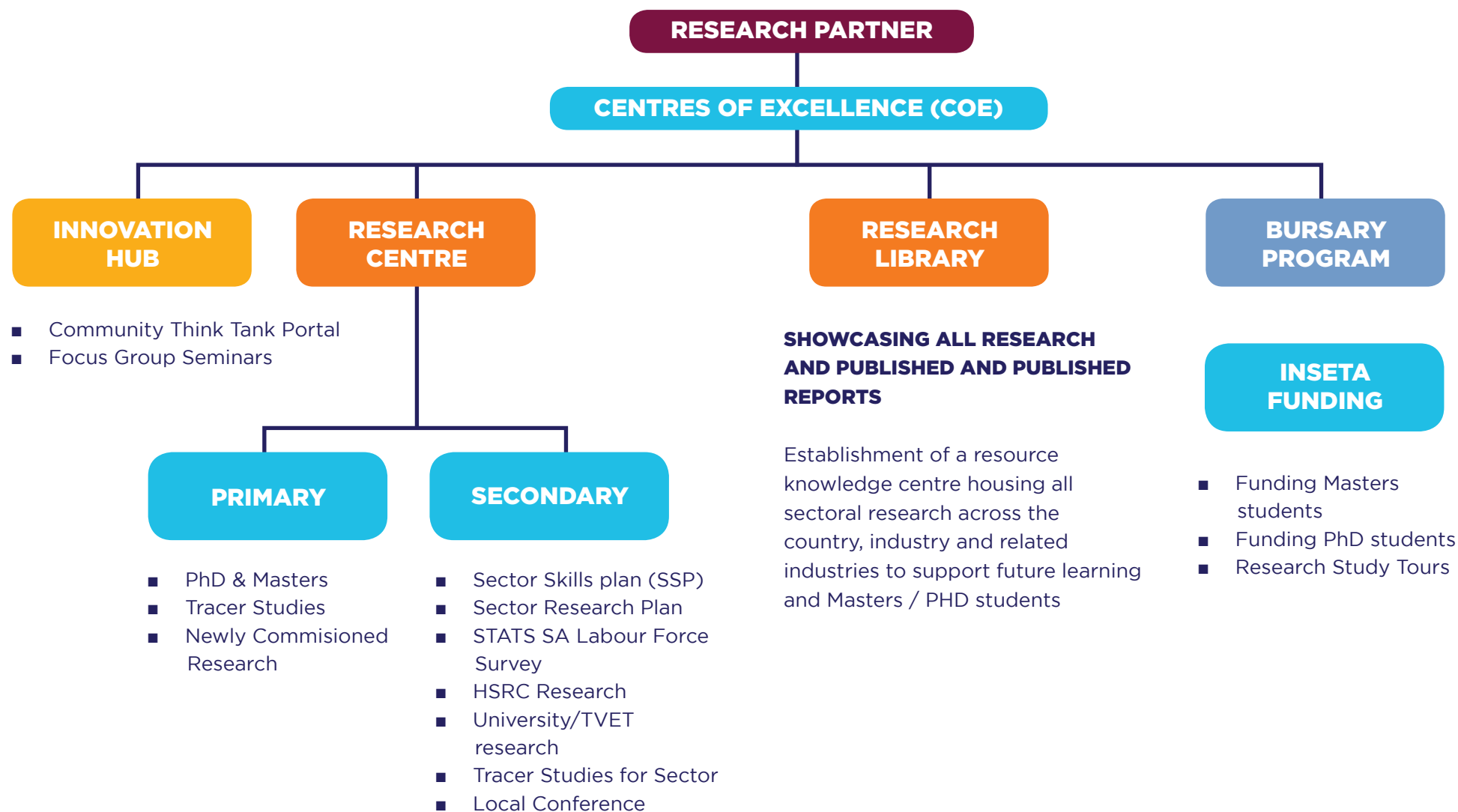
COLLABORATION WITH PUBLIC TVET COLLEGES	
What new partnerships are needed for the SETA?	There is a need for the INSETA and insurance companies to partner with TVET Colleges for the benefit of the sector.
What gaps/objectives will these partnerships be addressing?	The establishment of an insurance school in a public TVET College. This will serve as a pilot and be rolled out to other colleges.
What necessitates these partnerships?	INSETA aims to increase training to unemployed learners in programmes that are related to the insurance sector. The partnership is providing a pool of graduates for entry level positions in the insurance sector. It is making training accessible outside the metro areas at affordable rates.
What is the SETA's most successful partnership approach?	The INSETA should consistently engage with TVET College management to inform them of the employment opportunities and career pathways available for students and graduates. Regular meetings with the INSETA and TVET Colleges.

RESEARCH PARTNERSHIPS WITH UNIVERSITIES	
What new partnerships are needed for the SETA?	The insurance sector is largely, but not exclusively, a tertiary education sector. Therefore, there is a need to establish partnerships with selected universities to support the skills development agenda of the sector. There is also a need to ensure that universities are offering programmes that are relevant to the needs of the sector.
What gaps/objectives will these partnerships be addressing?	<p>The university research partners will strengthen skills planning research outputs in the INSETA. More students will conduct Masters and Doctoral research on insurance and skills planning issues. The research partners will advise INSETA on the development of new qualifications. Two research partners will be awarded in the following categories to a university in the Western Cape and Kwa Zulu-Natal:</p> <p>Technology - Technological advancements, artificial intelligence, 4.0 industrial revolution and its impact on the insurance sector with a view to reskilling, upskilling and multiskilling for the future of the sector.</p> <p>Skills Planning Research - Insurance sector skills planning, research, and scarce and critical skills identification for the sector.</p>
What necessitates these partnerships?	The need to strengthen the research capacity at INSETA for sector skills planning.
What is the SETA's most successful partnership approach?	The INSETA should consistently engage with university management to inform them of the employment opportunities and career pathways available for students and graduates. Regular meetings with the INSETA and university partners.

4.4 RESEARCH PARTNERSHIP WITH UNIVERSITIES

The INSETA has appointed three research chairs with Witwatersrand University, The IT Innovation Hib at the Urban University of Technology (DUT) and the Development Policy Research Unit (DPRU) at the University of Cape Town.

A diagram of the functions of the research partnership is depicted below:



- Bursaries for Master and Doctoral students in insurance.
- Sponsorship for insurance research chairs.
- Virtual insurance repository for the industry and students.
- Research studies in insurance, skills planning and technology.
- Research events for the benefit of the industry.
- Networking for academia and the industry.

4.5 CONCLUSION

The focus of existing and planned partnerships for the INSETA is on strengthening supply-side delivery of insurance programmes in the public post-school and training system. This is taking place through the establishment of research partner at three public universities and supporting public TVET Colleges with bursaries and lecturer development. This is followed up with work placements and internships. The INSETA is also expanding its range of qualifications in the sector by working closely with industry bodies.

CHAPTER FIVE: MONITORING & EVALUATION



CHAPTER FIVE

5.1 INTRODUCTION

Monitoring and evaluation (M&E) is an essential performance management tool employed by INSETA. It helps the Board and management to track progress with implementation of the Strategic and Annual Performance; detect problems as early as possible, assess the efficiency and effectiveness of projects; account for progress or results; and provide information that can assist INSETA in improving its performance.

The INSETA Strategic Plan is revised and updated in line with the Framework for Managing Programme Performance Information issued by National Treasury in terms of the mandates set out in section 215 and 216 of the Constitution.

Ultimately, the Board has the oversight role to review the SETA's performance over the five years period against the strategy set.

5.2 APPROACH TO M&E

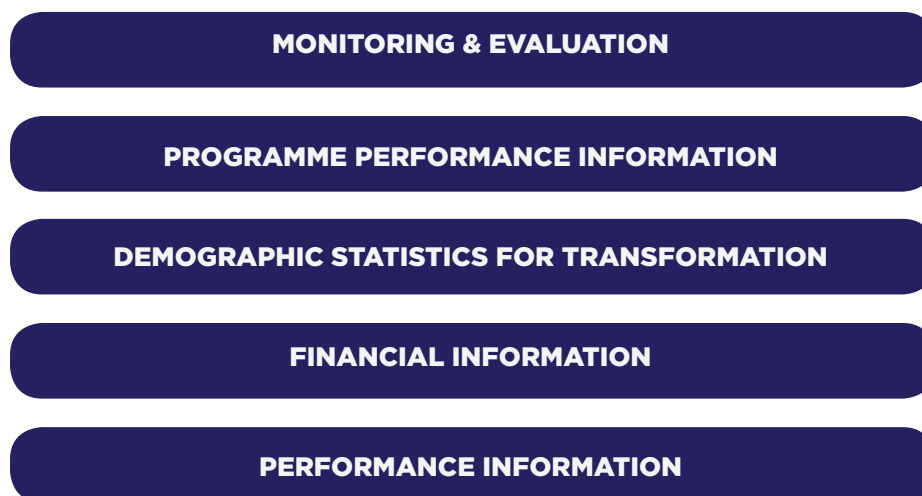
INSETA's approach to M&E is as follows:

Figure 21: Approach to M&E



INSETA complies with the government-wide M&E system contained in the Treasury regulations.

The system has five components:



The INSETA conducts tracer/impact studies annually. The findings obtained from these studies are used to inform skills priority actions in chapter six of the SSP.

5.3 USE OF M&E DATA FOR PLANNING AND RESEARCH

The INSETA Board provides strategic direction to management and fulfils an oversight role.

The core divisions within INSETA are:

- The Skills Planning and Research Division is responsible for research; registration of companies for submission of Workplace Skills Plans and the Annual Training Report, and the recommendation of payment of mandatory grants.
- The Learning Division is responsible for the registration and management of learnerships, internships, bursaries for workers and skills programmes for youth.
- The Quality Assurance Division is responsible for the accreditation of skills development providers, registration of assessors and moderators, verification of learning, certification of learners, and coordination of External Integrated Summative Assessments (EISA); as well as development of occupational qualifications and / or realignment of legacy qualifications to occupational qualifications.

- The Office of the Chief Financial Officer (CFO) is responsible for financial management. The Supply Chain Management (SCM) division is responsible for procurement of resources, products and services.
- The Human Resources (HR) division is responsible for the management and administration of all human resource-related matters.
- The INSETA Project Office (IPO) is responsible for management of projects, including management of projects for TVET Work-Integrated Learning and bursaries for youth.

INSETA has established a Research and Learning Programmes Committee which acts as a platform for discussing research and programme planning issues.

Programmes activities are monitored by the above structures and recommendations are communicated to the management, which in turn, communicates issues to the EXCO and Board.

5.4 PERFORMANCE INFORMATION

In the 2017-2018 financial year, the INSETA has effectively achieved all targets as illustrated below:

STRATEGIC GOAL	NO OF INDICATORS	INDICATORS ACHIEVED
Credible institutional mechanism for skills planning	5	5
Increased access to occupationally directed programmes	12	12
Better use of workplace skills development	12	12
Training and support provided to co-ops, SME's and NGOs	11	11
Building career and vocational guidance	3	3
Promoting the growth of the public TVET College system	4	4
TOTAL	47	47

Source: INSETA Annual Report 2017-2018

5.5 STRATEGIC PRIORITIES

INSETA's skills priority actions are directed by the NSDS III. These include increased access to occupationally directed programmes, better use of workplace skills development, training and support provided to sector cooperatives, small enterprises and non-governmental organisations, and enhancing career and vocational guidance. Three of INSETA's programmes (youth, education and development; addressing the need for pivotal and critical skills; and SMME development) determine the direction of its skills priorities.

Advance the employability potential of young adults

Equip unemployed youths (18-34 years old) with the means to secure a job and a brighter future through education and training. This is achieved through year-on-year funding increases to projects that advance the employability.

Strive to meet transformation targets

Assist in tangible ways with the transformation of the insurance sector. One way in which this is realised is through the selection of candidates for bursaries and skills programmes to satisfy the NSDS III principle as follows: Black (85%), Women (54%) and people with Disabilities (4%).

Alleviate the scarce and critical skills in the sector

Promote the alleviation of pivotal and critical skills in the insurance sector by developing new qualifications through QCTO. This is also achieved through funding applications for bursaries, learnerships and internships. This provides PIVOTAL programmes to support the alleviation of pivotal and critical skills.

Supporting the professionalisation of the sector

Foster the development of Financial Service Providers (FSPs) by supporting them in their endeavours to obtain FAIS Act credits and pass the regulatory examinations. INSETA funds the development of learning material training around FAIS. It has also supported a Recognition of Prior Learning (RPL) option for FSPs.

Supporting rural development initiatives through partnership with cooperatives

Promote the development of co-operatives, especially the burial societies. INSETA assists burial societies to register as co-operatives and equips them with skills training.

5.6 MEASURES TO SUPPORT NATIONAL STRATEGIES AND PLANS

The INSETA Discretionary Grant programmes adheres to the developmental and transformational imperatives of the NSDS III. BBBEE and the Financial Sector Charter (FSC) promote transformation in the sector. INSETA supports small black businesses.

The SSP supports Strategic Goal 3 of NSDS III, that is, better use of workplace-based skills development through various projects. The underwriters programme, the National Skills Broker Network and Employment Portal and SMME projects are alleviate skill shortages and unemployment.

INSETA contributes to Strategic Goal 4: training and support provided to sector co-operatives, small enterprises and non-governmental organisations.

INSETA contributes to Strategic Goal 5: building career and vocational guidance. This is achieved through its plan to adopt a multi-faceted approach to career and vocational guidance. INSETA should evaluate the current career guidance calendar and appraise whether additional items need to be added. Also, INSETA should evaluate trends from Goal 4.8 (career paths are mapped to qualifications in all sectors).

Aspects of the National Development Plan, the New Growth Path and associated National Youth Accord, and the HRDSA are all considered when scoping projects. These projects include placing youths in employment through various mechanisms, promoting and developing SMEs, SETAs co-financing training with employers, setting targets to achieve a credible mechanism for skills planning, and meeting demographic and transformational imperatives.

Tangible operational measures are put in place through INSETA projects, which wholeheartedly support the goals of the NSDS III, the NDP and the HRDSA 2010-2030.

5.7 CONCLUSION

INSETA is meeting its annual targets as per its service level agreement with the DHET. The establishment of the Research and Learning Programmes Committee is intended to use the expertise of human resource development experts in the sector to guide the research agenda.

CHAPTER SIX: STRATEGIC SKILLS PRIORITY ACTIONS



CHAPTER SIX

6.1 INTRODUCTION

The key skills findings from all the previous chapters are discussed to outline strategic skills priority actions in relation to transformation, the 4.0 and support for SMMEs and entrepreneurship. These will be presented in the context of the NSDP goals.

6.2 FINDINGS FROM PREVIOUS CHAPTERS

The key findings from preceding chapters are as follows:

Chapter 1: Sector Profile	<ul style="list-style-type: none"> ■ The economic performance of the insurance sector is influenced by the macro-economic performance of the South African economy. GDP in 2018 was 0,8% with adverse consequences for insurance companies since financial products are not essential items like food, travel and petrol. ■ On the positive side, SA insurance market is mature, companies are competitive, and companies have high levels of insurance penetration. ■ The largest contribution to finance and insurance GDP provincially were Gauteng, Western Cape and Kwa Zulu-Natal.
Chapter 2: Key Skills Change Drivers	<ul style="list-style-type: none"> ■ There are six major skills drivers driving change in the sector. These include: <ul style="list-style-type: none"> ■ Technology ■ Climate change ■ Product development ■ Economy ■ Regulatory Environment ■ Future Work ■ These issues have major implications for skills development in the insurance sector. It requires reskilling of existing staff in companies; review of current qualifications; development of new qualifications; and increased discretionary funding to skills development related to these skills drivers.
Chapter 3: Occupational Shortages and Skills Gaps	<p>Chapter Three focuses on the Sectoral Priority Occupations List. The following are the Top 10 occupations on the list: Insurance Agent (1); Actuary (2); Insurance Claims Administrator (3); Insurance Broker (4); Sales Manager (5); Insurance Loss Adjuster (5); Developer Programmer (5); Management Consultant (6); Software Developer (7); Sales & Marketing Manager (8); Financial; Investment Advisor (9); ICT Systems Analyst (9); Compliance Officer (9); Insurance Risk Surveyor (10) ; and Insurance Claims Administrator (10).</p>

Chapter 4: SETA Partnerships	<ul style="list-style-type: none"> ■ The following strategic SETA partnerships exist: ■ TVET College Partnership: INSETA aims to increase training to unemployed learners in programmes and support lecturer development. ■ Research Partner: The INSETA has appointed Wits University as a research partner to provide applied research capacity support to INSETA. ■ Occupational Learning Programmes Development: INSETA has partnered with the Insurance Institute of South Africa (IISA) for developing occupational qualifications in the short-term insurance industry. ■ Employers for Work Placements: The purpose of this partnership is to obtain the support of professional bodies & industry associations in the insurance sector to promote work placements and internships. ■ SIPS Partnership: INSETA is supporting the development of artisans through the Strategic Integrated Projects (SIPs). ■ Planned projects are the appointment of two research partners at universities and the establishment of an insurance school in a public TVET College.
Chapter 5: Monitoring and Evaluation	<ul style="list-style-type: none"> ■ INSETA is meeting its annual targets as per its service level agreement with the DHET. The establishment of the Research and Learning Programmes Committee is intended to use the expertise of human resource development experts in the sector to guide the research agenda.

6.3 KEY STRATEGIC SKILLS PRIORITY ACTIONS

6.3.1 Strengthen INSETA's Research Capacity for Sector Skills Planning

The INSETA is committed to strengthening its institutional labour market research capacity through research partnerships. This involves strengthening the capacity of the skills planning and research division with new appointments.

The research partnerships will be in the following categories:

Technology - Technological advancements, artificial intelligence, 4.0 industrial revolution and its impact on the insurance sector with a view to reskilling, upskilling and multiskilling for the future of the sector.

Skills Planning Research - Insurance sector skills planning, research, and scarce and critical skills identification for the sector.

Insurance and Risk Management: Insurance product development, regulations, risk, asset pricing, knowledge production, curriculum, research outputs, climate change, training and development.

Response: The INSETA is also establishing research partnerships at three public universities. One has already been established with Wits University. The research partnerships will:

- Increase research outputs in the Insurance sector.
- Respond to challenges facing the insurance sector through evidence-based research.
- Developing young and emerging researchers, especially from previous disadvantaged communities.
- Increase the production of Masters and Doctoral graduates in the Insurance Sector.
- Create insurance specific research career pathways for young and mid-career researchers, with a strong research, innovation and human capital development output trajectory.

The public TVET college system is central to the government's programme of skilling and re-skilling the youth. Its transformation is key to the integration of education and training and responding to the skills needs in our country. In recent years, TVET colleges have been striving to make the transition from their former status as technical colleges to being responsive and vibrant post-school institutions for vocational education.

The TVET sector produces graduates in the field of business management that can be deployed to junior and middle-level positions in insurance companies. The majority of employees in the sector are employed at these levels.

Response: The support to TVET Colleges takes place primarily through several interventions. Firstly, increasing access to unemployed youth to TVET Colleges through bursaries and providing support for students with work placements.

Secondly, train TVET lecturers to deliver insurance programmes leading to national qualification awards.

And thirdly, the establishment of an insurance school in a TVET College.

The INSETA should identify sector priority occupations and skills gaps accurately through evidenced-based research. These are identified through the development of the Sector Skills Plan which, in essence, involves stakeholder-wide consultations nationally.

Pivotal funding should be prioritised for alleviating these occupations in high demand and skills gaps through the following measures:

- Providing bursaries, learnerships, internships for occupationally directed programmes.
- Developing new occupational qualifications through QCTO process.
- Conducting research on best practice training and development.

6.3.2 Developing New and Enhancing Existing Qualifications

There are six major skills drivers driving change in the sector. These are technology, climate change, product development, economy, regulatory environment and the future work. New and existing qualifications should factor into the curricula the following:

- **Technology:** cyber security, blockchain, AI, predictive analysis, social media, digital marketing, open source, machine learning tools, and so on.
- **Climate change:** liability, underwriting, marketing, risk management, regulations, investment, strategic, operational, reputational, pricing, and asset risks.
- **Product development:** emerging consumer personalisation and flexibility of insurance policies and services, real-time, consumer-activated insurance, digital media, platforms, and policy designs.
- **Regulation:** new legislation and ensuing regulations.

Response: Pivotal funding should be prioritised for alleviating sectoral priority occupations and skills gaps through the following measures:

- Providing bursaries, learnerships, internships for occupationally directed programmes.
- Developing new occupational qualifications through QCTO process.
- Conducting research on best practice training and development.
- Including the above themes in the development of qualifications.

Foster the development of Financial Service Providers (FSPs) by supporting them in their endeavours to obtain FAIS Act credits and pass the regulatory examinations.

INSETA gives other tangible expression to this priority through the development of learning material training around FAIS, namely, Key Individuals and Representatives manuals.

As a SETA, it has also given credence to this objective by developing a national Recognition of Prior Learning option for FSPs, which has the support of the FSB and was developed jointly with SAQA.

6.3.3 Meeting Transformation Targets

INSETA is committed to ensure increased access to training and skills development opportunities and achieve the fundamental transformation of inequities linked to class, race, gender, age and disability in our society.

All INSETA project initiatives meet baselines targets: Blacks (85%), women (54%) and People with Disabilities (4%).

Gender: The insurance sector reflects disparities between men and women at management levels. This calls for particular attention to be paid to developing the management skills of women, especially black women, so that they can effectively participate in key positions in the sector. The INSETA should prioritise development initiatives must contain within them specific programmes and strategies to promote women in management and career development.

Race: The INSETA will have to prioritise confronting these racial inequalities, with a particular focus on giving more opportunities to previously (and currently) disadvantaged South Africans. This requires focused attention on skills provision for blacks in general and Africans in particular. The strongest intervention is required to address African youth unemployment.

People with Disabilities: The insurance sector comprises 1% of people with disabilities. The target should be 4%. Hence, the sector is far from achieving this target. Therefore, INSETA aims to significantly open up opportunities for skills training for people experiencing barriers to employment caused by various forms of physical and intellectual disability.

Response: All INSETA funded projects should prioritise the following: Blacks (85%), women (54%) and People with Disabilities (4%).

The majority of insurance companies are classified as small enterprises with less than 50 employees. These are mainly small financial advisory firms, intermediaries and brokerages.

Response: The following support should be offered to SMMEs: access to bursaries, learnerships and internships; user-friendly workplace skills plans; projects to enhance enterprise development and entrepreneurship; dissemination of learning resources; assistance with meeting CPD requirements; training in new regulations and better communication channels.

6.3.4 Supporting rural development and cooperatives

Given the urban bias of our economic development, there is a need to pay more attention to rural economic development and provision of skills for rural development. Given the fact that government has now prioritised rural development, our skills development system must increase its focus and attention on the production of skills for rural development.

Response: Promote the development of cooperatives, in particular burial societies, through skill programmes, bursaries, management and information sharing sessions.

6.3.5 Building Career Guidance

SA has a diverse insurance sector that covers unit trusts, risk management, insurance & pension funds, life insurance, health, short-term insurance, funeral insurance, reinsurance, and brokers and financial advisors. This means that there are many occupations in the sector that can suit your individual interests.

Employment opportunities for the youth abound in the insurance sector for many occupation that are in high demand. Unfortunately, the youth are generally not aware of these career opportunities. The sector is also not well-known among teachers and lecturers.

Hence, there is a need for career guidance about opportunities in the sector. The youth should be informed of career pathways, learning programmes and qualifications and training institutions serving the sector.

Response: INSETA should dedicate the necessary resources to support career and vocational guidance, as this has proved to be a critical component in successful skills development initiatives world-wide.

6.3.6 Support National Strategies and Plans

The strategic skills priority actions discussed above align with the imperatives of the National Development Plan, the New Growth Path and the National Youth Accord and the Human Resource Development Strategy of South Africa.

The INSETA projects involve arresting youth unemployment; improving employability; upskilling the workforce; alleviating skills shortages and skills gaps; supporting enterprise development; improving productivity and the competitiveness of the sector; and reducing inequalities through meeting transformation targets.

Currently, INSETA is supporting SIPs with support for artisan development. It is also funding sectoral priority occupations. INSETA is addressing youth unemployment through bursaries, internships and learnerships.

6.4 CONCLUSION

It is evident from this Sector Skills Plan that INSETA is robustly addressing the key outcomes of the National Skills Development Plan (2030) which includes: identifying and increasing production of occupations in high demand; linking education and the workplace; improving the level of skills in the South African workforce; increasing access to occupationally directed programmes; supporting the growth of Technical and Vocational Education and Training Colleges and Community Education and Training Colleges; supporting for entrepreneurship and cooperative development; encouraging and support worker initiated training; and supporting career development services.

REFERENCE LIST

Career Junction. 2016. [Website]. Available at: <https://www.careerjunction.co.za>.

Cooperative agreement between INSETA and GIZ on the rollout of solar water heating technologies, 2016. [Unpublished].

Deloitte. 2019. Insurance Outlook: Growing economy bolsters insurers, but longer-term trends may require transformation. Deloitte Centre for Financial Services.

Department of Education. 2009. Human resource development strategy for South Africa (HRDSA) 2010–2030. Pretoria: Department of Education.

Department of Higher Education and Training. 2017. Statistics on Post-Schooling Education and Training in South Africa: 2015. Published by the DHET, 2017.

Education Series Volume III: Education Enrolment and Achievement, 2016/Statistics South Africa, 2017.

Exco INSETA Artisan development concept – Skills for a Green Economy, 2015. [Unpublished].

Financial Services Board. 2017. Role FSB Brochure. [Online]. Available at: <https://www.fsb.co.za/Pages/Results.aspx?k=role%20of%20the%20fsb> [Accessed 28 May 2017]

Harper, D. 2015. iTOO sponsors new learning centre for Insurance Institute of SA. [Online]. Available at: <http://www.fanews.co.za/article/training-learnerships/42> [Accessed 18 April 2016].

Industrial Development Corporation Economic trends: Key trends in the South African economy. <https://www.idc.co.za/images/2018/IDC-RI-publication---Key-trends-in-the-South-African-economy-29-March-2018-FINAL.pdf>.

INSETA Annual Performance Plan 2018/2019 Version 12. Johannesburg: INSETA.

INSETA Project Charter Research 23rd May 2018.

INSETA. 2018. Annual performance plan. Johannesburg: INSETA.

KPMG, 2016. South African Insurance Survey.

Ladzani, W. and Netswera, G. 2009. Support for rural small businesses in Limpopo Province, South Africa. Development Southern Africa, 26 (2): 225-239.

REFERENCE LIST

National Planning Commission. 2012. National development plan 2030. Our future – make it work. [Online]. Available at: <http://www.poa.gov.za/news/Documents/NPC%20National%20Development%20Plan%20Vision%202030%20-lo-res.pdf> [Accessed 19 April 2016].

Peele, T. 2016. QCTO and occupational qualifications. Johannesburg: INSETA. Unpublished.

Price Waterhouse Coopers (PwC) Available at <https://www.pwc.co.za/en/press-room/disruption-is-the-new-reality-in-the-global-insurance-industry--.html>

Price Waterhouse Coopers (PwC). 2015. Insuring African growth. Insurance industry analysis. [Online]. Available at: <https://www.pwc.co.za/en/assets/pdf/insurance-industry-analysis-2015.pdf> [Accessed 14 April 2016].

Republic of South Africa. 2014. List of occupations in high demand. No. 38174. Government Gazette. [Online]. Available at: http://www.careerhelp.org.za/download_files/education-training/List_of_occupations_in_high_demand_2014.pdf [Accessed 19 April 2016].

SAIA The South African Insurance Association <https://saia.co.za/>

Statistics South Africa. 2016. Statistical release P0441 Gross domestic product. Fourth quarter 2015 [Online]. Available at: <http://www.fin24.com/Economy/sa-shed-15-000-jobs-in-first-three-months-of-2016-stats-sa-20160704>

Statistics South Africa. 2018. Statistical release P02011 Quarterly Labour Force Survey 2018 [Online]. Available at: <http://www.statssa.gov.za>.

Statistics South Africa 2018. Economy disappoints in Q1 of 2018, contracting by 2.2%. <http://www.statssa.gov.za/?p=11202>

EMPOWERED TO INFLUENCE AND INSPIRE

37 Empire Road, Ground Floor
Parktown, Johannesburg

P O Box 32035 Braamfontein 2017

Tel: 011 381 8900

Website: www.inseta.org.za



Working together for a skilled tomorrow