

Sector Skills Plan

**2023-2024 INSETA Sector Skills
Plan Submission**

Date Submitted: 1 August 2022

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RESEARCH PROCESS AND METHODS

INSETA conducted research and data analysis for this SSP 2022-2023. The SSP is developed with stakeholder participation with virtual meetings. An employer survey, training readiness survey and WSP/ATR submissions provided vital insights into skills development during lockdown.

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

Table 1. Research Conducted in Preparing the INSETA SSP (2022-2023)

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Time-frame
Covid-19 Survey	Quantitative	Determine the impact of COVID-19 on insurance companies from a skills development perspective. Areas covered ranged from level of economic impact of COVID-19 on companies to skills priorities.	Survey (online)	All companies submitting WSP/ATRs (204)	List of levy-paying employers	Covid-19 survey (Apr-May 2020; Sep 2020; Jun 2021; Apr 2022.
Skills supply, demand and mismatches	Literature review	The study has three aspects: demand, supply and mismatches of occupations.	Database analysis; Workshops; Questionnaire	All levy-paying employers that submitted WSP/ATRs (608).	INSETA database including employers, employees and learners. Desktop review of existing datasets	July 2020
Potential impact of the National Health Insurance	Literature review/ Discussion	Determine the impact of NHI on the insurance sector.	Levy Database analysis; Literature review	Top 20 medical scheme levy-paying companies plus 34 medical scheme	NHI literature	2019-2021

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Time-frame
on the insurance sector	Paper			levy-paying companies not in the top 20		
Gig Economy <i>Durban University of Technology</i>	Qualitative/ Quantitative	Impact of Gig Economy on the Insurance Sector and regulatory Labour Framework. This report explores the state of the gig economy in South Africa with a particular view to understanding what insurance work is being undertaken under temporary flexible contracts.	Literature review; Think tank discussions; Focus groups	8 interviews 20 attendees Think-Tank discussions	Various literature sources	Mar 2021
Occupations <i>Durban University of Technology</i>	Qualitative/ Quantitative	Jobs to Occupations Analysis in the Insurance Sector – Measuring Occupational Change in the Insurance Sector-Approaches, Methods and Processes.	Literature review; Survey;Delphi studies	A combined total of 30 industry experts, academics and INSETA Managers	Various literature sources; Value Chain	Jan 2021
Labour market <i>University of Cape Town</i>	Qualitative/ Quantitative	Job quality in INSETA firms	Literature review; Survey of employees	Employees drawn from 20 Employers	Various literature sources; Employees	Apr 2022
Tracer study <i>Urban Econ</i>	Qualitative/ Quantitative	Tracer Studies for learnerships, internships, bursaries aimed at investigating whether these	Survey	Learnerships – Total sample: 327 (189 unemployed learnerships; 138	Survey	Jan 2020

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Time-frame
		programmes are achieving their missions and outcomes Key information about learners regarding: employment status (employed, self-employed, and unemployed); employment rates; match between qualifications attained and occupations; and nature of employment in terms of employment sector or types of employment, viz. full-time, part-time. contract or permanent		employed learnerships) Internships: 235 (50 in 2014/2015; 87 in 2015/2016; and 98 in 2016/2017) Bursaries: 166 (40 in 2014/2015; 16 in 2015/2016; 110 in 2016/2017)		
Body of knowledge <i>University of the Witwatersrand</i>	Qualitative	Apply the principles, rules and concepts of the body of knowledge (BoK) to two insurance volumes: Volume 1: The legal system, legal principles and insurance products and Volume 2: State insurance funds and specialised insurance markets, respectively.	Professional Association Review Committee	22 committee members drawn from 10 insurance companies and professional associations	Academics and professionals in the insurance sector. Statistics drawn from existing statistical findings and theories in scientific journals and books	Jun 2021
Tracer/	Quantitative/	A tracer/destination study of	Computer-	575 respondents	INSETA	Jun 2021

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Time-frame
Destination Study <i>University of the Witwatersrand, Wits Real Centre, Singizi Consulting Africa</i>	Qualitative	INSETA learners who completed learnerships, internships, bursaries and skills programmes between the years 2018-2021, where the perceptions of training providers and employers were also examined.	Assisted Telephonic Interviewing (CATI)		databases for the included programmes from 2018-2021	
Monitoring and evaluation framework <i>University of the Witwatersrand/ Wits Real/Singizi Consulting Africa</i>	Qualitative Study	Understand the nature of each programme, the outcome that these programmes are expected to achieve and the anticipated impact.	Analysis done using Theory of Change & associated Logic Model	Not applicable	INSETA Annual Performance Plan (APP) 5-year Strategic Plan (SP) and Service Level Agreement (SLA) with DHET; Expert opinion from Singizi Consulting	Jun 2021
Research on the emerging skills of small emerging businesses and cooperative financial institutions	Quantitative & Qualitative	Identify the emerging skills needs of small emerging businesses and cooperative financial institutions	Survey link sent out by e-mail and five in-depth individual interviews	74 respondents	INSETA Employer Huge File	Jun 2021
Action plan for	Qualitative &	The building of an action plan	Qualitative &	Two TVET colleges, one	Desktop	May 2023

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Time-frame
building cybersecurity culture through TVET Colleges in both a rural and urban area. <i>Durban University of Technology</i>	Quantitative	for cybersecurity culture in an urban and rural area from a youth perspective and effectively implementing this action plan.	Quantitative Questionnaire; Interviews; Focus Groups; Document Analysis	urban, one rural 200 respondents (quantitative) 35 interviews (qualitative) 2 focus groups: one with teachers & one with students	research. Data obtained from questionnaires given to teachers and students at two TVET colleges.	
Development of a comprehensive profile of the insurance sector <i>University of Cape Town</i>	Qualitative	Provide a clear definition of the insurance sector that synthesises or mediates the approach taken by different stakeholders.	Desktop Research Interviews and discussions with respondents: Professional Bodies and Associations; and Regulators	11 professional insurance associations interviewed – 1 hour duration interviews	WSP 2020-2021 submissions Quarterly Labour Force Surveys; Quarterly Employment Statistics	Mar 2022
Learning and career pathways for four insurance sector priority occupations <i>University of Cape Town</i>	Qualitative & Quantitative Research	Aspects such as key requirements, available learning pathways and the career pathways for these priority occupations. Also the potential to meet current and future demand for these occupations.	Survey of employers; Survey of employees in priority occupations; Quantitative data analysis. Desktop research.	Dynamic sampling from WSP data where employers have one or more employees among the 4 insurance sector priority occupations	Survey of employers; Survey of employees; Desktop Research	Aug 2022

Note: Data was drawn from 1 098 employers that submitted a WSP/ATR for 2022/2023.

These research processes and methods were useful in defining the findings of Chapters 1, 2, 3 and 6, in particular. INSETA is confident that the research methods used are robust and rigorous for the compilation of the Sector Skills Plan.

Data Analysis

Some of the data for the abovementioned studies is drawn from the WSP/ATR database for 2021/2022, where all applicable variables are analysed using the custom sort facility on excel and relevant statistics are calculated, viz. total N, percentages and means. More advanced statistics can be calculated should the need arise, viz. correlations, t-tests, factor analysis, etc. These studies are discussed in the Research Agenda in terms of key themes and priorities and discussed in the Continuous Improvement Plan in terms of current status, progress made and action plan.

The Research Process

The WSP/ATR data dumps are received from our WSP/IT system service provider Solugrowth usually a week to 10 days after the 30 April WSP submission. Once received the INSETA researchers begin their analysis of the raw data from the excel spreadsheets. The choice of the applicable statistics to use is determined by the Department of Higher Education Framework and Guidelines especially from Chapters 1 and 3, respectively, viz: Profile of the Sector and Occupational Shortages and Skills Gaps. The raw data is converted into aggregated statistics to answer the following questions: number of employees within the insurance sector/subsectors; size of employers; geographical representation of employers; and start-ups and closures of insurance companies.

The statistical questions addressed in terms of the Labour Market Profile include the number of employees within the insurance sector stratified by race, gender, age and disability; the distribution of employees across subsectors, and across occupations; and the geographical location of employees. This raw data is derived from the following WSP forms Current Employment Profile, Skills Development Consultation and Planning and Provincial Breakdown.

The raw data for sectoral priority occupations is obtained from the Hard to Fill Vacancies Report form while the skills gaps raw data is sourced from the skills gap report form.

The calculated tabular and graphical display of statistics are analysed, interpreted and then written-up.

FOREWORD

The INSETA Sector Skills Plan (SSP) for 2023-2024 is updated as the South African economy gradually recovers from the impact of the COVID-19 pandemic. The pandemic has brought with it significant economic disruption, creating new challenges and compounding others that pre-date its arrival. At the same time, we should not lose sight of the opportunities presented for us to develop new forward-looking approaches to these challenges.

Through this iteration of the SSP update, the course of events necessitates major changes in INSETA's strategic planning process. It is necessary to incorporate the impact of COVID-19 and the lockdown on skills development in the insurance sector to make the plan responsive to a rapidly changing environment. The National Development Plan (NDP) (2030), which underpins the government's priority of reducing unemployment, combating inequality, and alleviating poverty, is aligned closely to INSETA's strategic outcomes.

Of particular importance is Chapter Three of the SSP focusing on occupational shortages and skills gaps, which previews the Top 10 priority occupations in the insurance sector. These occupations in demand will be prioritised from a strategic planning perspective and filtered through to the INSETA's Annual Performance Plan. The various types of service offerings that INSETA is engaging in, across the top 10 sectoral priority occupations for both employed and unemployed learners is also highlighted in this chapter.

Such strategic planning would not be possible, however, without the partnerships that the Board has recommended as a driving force towards achieving INSETA's objectives. The Board's endorsement of the continuance of the research partnerships between INSETA and the Development Policy Research Unit (DPRU) at the University of Cape Town, and the Durban University of Technology, intends to give a new impetus to INSETA's research agenda.

We are actively supporting and are involved with the Presidential Youth Employment Intervention (PYEI), which reflects our SETA's commitment towards the national internship project, where we are supporting internships for a minimum of twelve months, except in instances where the learners are undertaking work integrated learning (WIL), with a regulated period. Our involvement in this intervention includes both technical education and training and community and education training colleges.

Our Skills Planning and Research Division is strengthened with a highly skilled and well-resourced team. The aim is to make INSETA an authority on skills research and intelligence in the insurance sector. We continue to intensify our engagements with employers, labour and government to ensure that stakeholder demands inform skills development. We are confident that you will find the INSETA Sector Skills Plan to be insightful.



Mr. Sihle Ngubane

INSETA Board Chairperson

1 August 2022

ACKNOWLEDGEMENTS

With thanks and appreciation for your participation in this update to the Sector Skills Plan:

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ACRONYMS

ASISA	Association for Savings and Investment South Africa
ATR	Annual Training Report
BBF	Black Brokers Forum
BHF	Board of Healthcare Funders
BIAC	Black Insurance Advisory Council
BUSOSA	Burial Society of South Africa
DUT	Durban University of Technology
DPRU	Development Policy Research Unit
FAIS	Financial Advisory and Intermediary Services Act
FIA	Financial Intermediaries Association of Southern Africa
FPI	Financial Planning Institute
FSCA	Financial Sector Conduct Authority
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IISA	Insurance Institute of South Africa
ILASA	Institute of Loss Adjustors
INSETA	Insurance Sector Education and Training Authority
NC(V)	National Certificate (Vocational)
NDP	National Development Plan
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
OFO	Organising Framework for Occupations
PIVOTAL	Professional, Vocational, Technical and Academic Learning
SAFOBS	South African Funeral Business Services
SAIA	South African Insurance Association
SARB	South African Reserve Bank
SAUMA	South African Underwriting Managers Association
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SMME	Small, Medium and Micro-Enterprises
SSP	Sector Skills Plan
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
WIL	Work-integrated learning
Wits	University of Witwatersrand
WSP	Workplace Skills Plan
4IR	Fourth 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 (NDP) and the National Skills Development Plan (NSDP), which collectively offers a blueprint for South Africa’s broader development.

Chapter One provides an economic and labour market profile of the insurance sector, which includes within its scope the broad areas of life insurance, non-life insurance, and collective investments. Despite a rebound in growth during 2021 following the worst of the COVID-19 lockdowns in 2020, growth rates are expected to moderate over the medium term. The labour market remains under pressure, with the official unemployment rate estimated at 34.5 percent in early 2022.

The insurance sector forms part of the broader Finance, Insurance, Real Estate and Business Services industry (‘finance industry’). The finance industry accounted for 25.9 percent of total gross value added in the South African economy in 2021, up from 22.4 percent in 2010, and has seen its share of total employment rise from 12.9 percent to 16.9 percent over the same period. The finance industry managed to grow by 3.7 percent in 2021, compared to 4.9 percent for the overall economy.

In 2021, there were 3 603 active employers within the insurance sector. Of these, employers in the life insurance category represent 31.1 percent, those in non-life insurance account for 30.6 percent, while a large proportion (36.9 percent) operate in risk management and activities auxiliary to financial intermediation, which are more complex to classify within these categories. The sector includes a wide variety of stakeholders, including professional bodies, industry associations, regulators, employers, and education and training providers.

A total of 1 023 employers submitted Workplace Skills Plans and Annual Training Reports by the end of April 2022. Amongst these submissions, the non-life insurance sector is somewhat over-represented, while employers in activities auxiliary to financial intermediation are somewhat under-represented. Overall, just over three-quarters (76.8 percent) of employers that submitted WSPs are small employers with up to 49 employees; a further 12.9 percent are medium employers (50-149 employees), while the remaining 10.3 percent are large employers (150+ employees). Small employers dominate in most subsectors.

Based on the 2022/2023 WSP submissions of employers registered with INSETA, employment in the insurance sector is estimated at around 131 300. The sector is a relatively highly skilled sector, and employees typically have at least an NQF Level 4 qualification. Of the 131 300 employees, 56.0 percent are African. Coloureds account for 13.4 percent of employment in the sector, while Asians and Whites account for 8.8 percent and 20.81 percent respectively. At the same time, the insurance sector is dominated—in terms of employment—by women, who account for 61.3 percent of the total.

Chapter Two identifies six key skills change drivers in the sector: climate change, COVID-19 and other pandemics; digital transformation; the economy and the Economic Recovery and Reconstruction Plan; the regulatory environment; and remote working. These change drivers have major implications for skills development in the insurance sector, requiring 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.

Climate change, by raising the frequency and severity of natural disasters, will necessitate reskilling in areas of liability, underwriting, marketing, risk management, investment, pricing, asset risks. Regulatory changes in this area will necessitate training for varying needs of employees and board members alike.

The COVID-19 pandemic has impacted on the insurance sector in numerous ways and has, in many respects, amplified existing trends. However, the pandemic has highlighted how vulnerable our interconnected global economy is to the emergence of **new pandemics** and diseases, and this is an increasingly important issue for insurers to consider. With constrained training budgets and an urgent need for training, effective prioritisation of training and the development of more efficient training delivery methods are essential.

Digital transformation of the insurance sector continues to spawn new career opportunities in numerous tech-related areas, and is integrally linked to increasing demand for seamless, quick and faceless interactions from consumers.

The economy and the ERRP represent an important overarching issue that, in many ways, sets the tone for the country. Current economic challenges include reigniting growth, addressing unemployment (and specifically the youth unemployment crisis), and adapting to the realities of fiscal consolidation. This calls for efforts to protect existing jobs and invest in the kind of training required for employees to work effectively in a post-COVID world.

The **regulatory environment** is a key determinant of changing skills needs within the insurance sector, and regulatory changes have both direct and indirect implications for skills development. While many of these regulatory changes are specific to the insurance sector, there are also important changes in other areas that have a direct bearing on the sector.

While COVID-19 forced employers across the economy to adapt to **remote working** to comply with lockdown and later occupational health and safety protocols, employers are now grappling with managing extended remote working and the gradual return to on-site work. Training is required to help workers sustain relationships with colleagues and customers, and to assist managers to manage and motivate staff remotely. It remains to be seen, however, how this experience will impact on working arrangements in the longer term.

INSETA has taken steps to support national plans and strategies through, amongst others, establishing learnerships and bursaries in support of the NDP; setting strategic priorities to support the HRD Strategy; and supporting universities and TVETs through various funding interventions.

As part of its focus on occupational shortages and skills gaps, **Chapter Three** presents the Top 10 Sectoral Priority Occupations List for 2022. This list includes the following occupations: insurance agent; actuary; insurance broker; software developer; insurance claims administrator; developer programmer; compliance officer; insurance loss adjuster; sales manager, and commercial sales representative. Many of these occupations are also characterised by hard-to-fill vacancies.

Given the skills intensity of employment in the insurance sector, the sector is dependent on the secondary and post-secondary education systems to provide the skills required if it is to

thrive and contribute to economic growth. From this perspective, the performance of these systems in building out the supply of skills in areas related to mathematics, accounting, financial management, ICT, and marketing, amongst others, is particularly important.

Chapter Four discusses sector partnerships. The current partnerships are focused on increasing training for unemployed learners; enabling rural communities to access skills development through learnerships; developing occupational qualifications; conducting tracer studies to understand how learners move into the labour market; SMME development; partnering with public TVET Colleges to develop lecturer capacity.

INSETA's university-based research partners at the Durban University of Technology and the University of Cape Town are working with INSETA to increase research outputs in the insurance sector. The partners are conducting research in the gig economy, job shifts and job mobility, the impact of COVID-19 and 4IR on the workforce, occupational mapping of top 10 sectoral priority occupations, and job quality in insurance firms. The establishment of the Research and Learning Committee is intended to use human resource development experts in the sector to guide the research agenda.

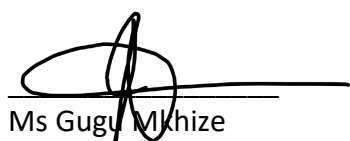
Chapter Five addresses monitoring and evaluation issues. INSETA is meeting its annual targets as per its service level agreement with the DHET.

Finally, **Chapter Six** outlines INSETA's key strategic skills priority actions. The following are proposed: strengthen INSETA's research capacity for sector skills planning; intensify a COVID-19 training response; invest in access for training for the Top 10 pivotal occupations; develop a body of insurance knowledge; meet transformation targets; support small rural development and cooperatives; build career guidance; support national strategies and plans.

INSETA's contribution to the Economic Reconstruction and Recovery Plan includes:

- Internship programmes for 800 unemployed youth from public universities, Universities of Technology and learners who completed learnerships in the insurance sector.
- 600 unemployed youth who have completed N6 NATED programmes at TVET Colleges, will be supported through work integrated learning programmes and placed in workplaces in and outside of the insurance sector, to obtain their Diplomas on completion of WIL programmes. The TVET work-integrated learning (WIL) programmes will be for 18 months in line with the requirements of the TVET NATED programmes.

As INSETA, we look forward to taking this Sector Skills Plan forward with our partners in the insurance sector to the benefit of workers and employers in the sector, and in support of socioeconomic development more broadly.



Ms Gugu Mkhize
Chief Executive Officer
1 August 2022

CHAPTER 1: SECTOR PROFILE

1.1. INTRODUCTION

The insurance sector plays a pivotal role in the economy by facilitating the kind of risk-taking required for economic growth and development. It also offers individuals opportunities to reduce risk and prepare for future events that may negatively impact on them and those that depend on them.

This chapter constructs a profile of the insurance sector, broadly defined, using several data sources, including data published by Statistics South Africa and the South African Reserve Bank; data collected by INSETA through the *Workplace Skills Plan/Annual Training Report* submissions by employers for 2021/22; and various publications and national strategies. The chapter describes the range of economic activities that fall within INSETA's scope, highlights the key role-players in the sector, and provides a sense of the sector's economic performance within the broader South African context. The chapter then profiles the sector's employers and employees, before highlighting the key implications for skills development in the sector.

1.2. SCOPE OF COVERAGE

INSETA's sectoral coverage was most recently confirmed by the Minister of Higher Education and Training in Notice No. 1002, which dealt with the re-establishment of the SETAs for the ten-year period to 31 March 2030 (DHET, 2019a). In terms of this notice, INSETA was allocated ten Standard Industrial Classification (SIC) subsectors at the five-digit level, all of which form part of the Financial Intermediation, Insurance, Real Estate and Business Services industry. These subsectors are listed in Table 2.

Table 2. INSETA's Subsectors

SIC Code	Subsector	Category
81901	Unit trusts	Collective investments
81902	Risk management	Various
82100	Insurance & pension funding, except compulsory social security	Life insurance
82110	Life insurance	Life insurance
82120	Pension funding	Life insurance
82131	Health care benefits administration	Non-life insurance
82191	Short-term insurance	Non-life insurance
82192	Funeral insurance	Life insurance
82193	Reinsurance	Non-life insurance
83000	Activities auxiliary to financial intermediation	Various

Source: Based on DHET (2019).

These ten subsectors are grouped into three major categories, which provide a sense of the main economic activities within INSETA's scope. Life insurance 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. Non-life insurance encompasses all types of

insurance policies other than life insurance, and includes vehicle, property, household, medical, personal liability, travel, and business insurance. Finally, collective investments involve members of the public investing in a portfolio.

1.3. KEY ROLEPLAYERS

A wide variety of role-players are active within the insurance sector, each contributing in particular ways to creating a dynamic and thriving sector. In addition to the employers themselves, these include various industry associations, professional bodies, regulatory and other public sector bodies, and trade unions and other worker organisations. Many of these organisations bring a wealth of experience and close ties to employers and workers in the sector; they work with INSETA to promote skills development in the sector and have important contributions to make in terms of the National Skills Development Plan (NSDP) Outcomes.

Table 3. Key Role-players in the Insurance Sector

Organisation	NSDP Outcomes
INDUSTRY ASSOCIATIONS	
The Association for Savings and Investment South Africa (ASISA) represents the collective interests of the country's asset managers, collective investment scheme management companies, linked investment service providers, multi-managers and life insurance companies. ASISA provides INSETA with insights into the skills development needs of its members through its membership of INSETA committees.	1-8
The Black Insurance Advisors Council (BIAC) aims to provide the insurance industry with skilled, informed, fit and proper financial services providers. Second, BIAC aims to work in collaboration with other insurance industry organisations and statutory institutions to address issues affecting the insurance industry. BIAC provides INSETA with insights into the skills development needs of its members.	1-8
The motto of the Board of Healthcare Funders (BHF)—“Serving medical scheme members”—guides how the organisation fulfils its function as a representative body of the healthcare funding industry. BHF provides INSETA with insights into the skills development needs in the healthcare funding sector.	1-8
Burial Societies of South Africa (BUSOSA) supports burial societies to become sustainable and provides education and training for entry into the industry. BUSOSA provides INSETA with insights into the skills development needs of its members.	1-8
The Financial Intermediaries Association (FIA) is a trade association for intermediaries, including businesses of all sizes across a wide range of insurance subsectors. The FIA aims to be an effective voice of its members' businesses by promoting, developing, education, supporting, and protecting the rights of its members. INSETA is represented on the FIA Education committee. The FIA shares insights into the skills development needs of its members.	1-8

Organisation	NSDP Outcomes
The South African Federation of Burial Societies (SAFOBS) oversees the coordination, training and education of burial societies and their staff. SAFOBS provides INSETA with insights into the skills development needs of its members.	1-8
The South African Insurance Association (SAIA) is the representative body for the non-life insurance industry, representing the industry to all relevant stakeholders to ensure a sustainable and dynamic industry. The organisation has members from all categories of non-life insurers, including reinsurers. INSETA is represented on the SAIA Skills Development working group to collaborate on Skills for the sector.	1-8
The South African Underwriting Managers Association (SAUMA) protects the rights of the underwriter within their relevant industry. SAUMA provides INSETA with insights into the skills development needs of its members.	1-8
PROFESSIONAL BODIES AND ASSOCIATIONS	
Batseta , the Council of Retirement Funds for South Africa, focuses on the interests of principal officers, trustees and fund fiduciaries in the retirement industry, and advises INSETA on the development of new qualifications linked to life insurance.	1-8
The Black Brokers Forum (BBF) is a representative body for black financial advisers. The BBF provides INSETA with insights into its members' skills development needs.	1-8
The Compliance Institute Southern Africa (CISA) is the recognised professional body for the compliance profession. Amongst other objectives, CISA aims to stimulate and promote education, training and professionalism in the field of compliance to its members and other stakeholders. CISA provides INSETA with insights into its members' skills development needs.	1-8
The Financial Planning Institute of Southern Africa (FPI) is the recognised professional association for financial planners in South Africa. The FPI is the only institution in the country to offer the CFP® certification and advises INSETA on the development of new qualifications related to financial planning.	1-8
The Institute of Loss Adjusters of Southern Africa (ILASA) controls the professional standards and conduct of loss adjusters. ILASA aims to promote the skill, efficiency, service and responsibility of the profession, and to maintain high standards of education and knowledge. ILASA advises INSETA on the development of new qualifications relating to claims assessment.	1, 2, 3, 4, 8
The Insurance Institute of South Africa (IISA) is a professional membership institute for the non-life insurance industry. The Institute's primary responsibility is to promote the advancement of knowledge and skills, the maintenance of the highest level of standards and ethics, and professional development within the insurance industry. The IISA assists INSETA with graduate placements and internships.	1-8
REGULATORY AND OTHER PUBLIC SECTOR BODIES	
The twin peaks model reformed the regulatory and supervisory landscape for the financial sector in South Africa. The Financial Sector Conduct Authority	FSCA: 1, 3

Organisation		NSDP Outcomes
(FSCA) is the market conduct regulator for the financial services sector, while the Prudential Authority (PA) , located within the South African Reserve Bank, regulates the financial soundness of financial institutions. The regulatory reforms of the FSCA and PA have skills development implications for employees, employers, training providers and INSETA, and these groups have come together with the regulators quarterly to discuss content of training interventions in line with current regulation.		PA: 1, 3
The South African Reserve Bank (SARB) and Statistics South Africa (Stats SA) are key producers of data used for skills planning research. As the country's central bank, the SARB aims to achieve and maintain price stability in the interest of balanced and sustainable economic growth. Stats SA is responsible for the collection and dissemination of data and statistics on a wide range of issues, and the Statistician-General has the authority to designate statistics as official statistics.		SARB: 1, 2, 3, 7 Stats SA: 1, 7
NSDP Outcomes		
Outcome 1	Identify and increase production of occupations in high demand	
Outcome 2	Linking education and the workplace	
Outcome 3	Improving the level of skills in the South African workforce	
Outcome 4	Increase access to occupationally directed programmes	
Outcome 5	Support the growth of the public college system	
Outcome 6	Skills development support for entrepreneurship and cooperative development	
Outcome 7	Encourage and support worker-initiated training	
Outcome 8	Support career development services	

1.4. ECONOMIC PERFORMANCE

1.4.1. Economic Context

Globally, current economic conditions cannot be understood without an acknowledgement of the impact of COVID-19, one of the most significant pandemics experienced in decades. As the pandemic continues to evolve, restrictions have gradually been lifted and, while economies around the world begin to rebound, economic dislocations triggered by the pandemic—such as the significant disruption to global supply chains—continue to hamstring the recovery.

The global recession in 2021, triggered by the COVID-19 pandemic, gave way to robust growth in 2021 (Table 4). Global growth averaged 6.1 percent in 2021, with slightly higher growth amongst emerging and developing economies (6.8 percent). Growth in Sub-Saharan Africa was somewhat slower than in the rest of the world (4.5 percent). However, much of this growth was the result of the base effect, which may also explain slower growth in Sub-Saharan Africa in 2021. The post-COVID recovery is further constrained by the significant economic fallout of the Russian Federation's invasion of the Ukraine, with prices of key commodities rising significantly.

In South Africa, the economy was already on the verge of recession prior to the pandemic.

The South African economy contracted by 6.4 percent in 2020 according to the SARB, but rebounded to 4.9 percent growth in 2021. Despite this growth, real GDP per capita remains significantly lower than previous levels: for 2021, it was 6.9 percent below its 2013 peak and 4.1 percent lower than in 2019 (own calculations, SARB, 2022). Similarly, real GDP at market prices (annualised and seasonally adjusted) remains below levels seen in late 2019 and the first quarter of 2020. In general, growth forecasts suggest slower growth in 2022, averaging around 3.5 percent globally during the 2022-2024 period but only half that rate (or less) in South Africa.

Table 4. Global GDP Growth Estimates and Forecasts (%), 2010-2024

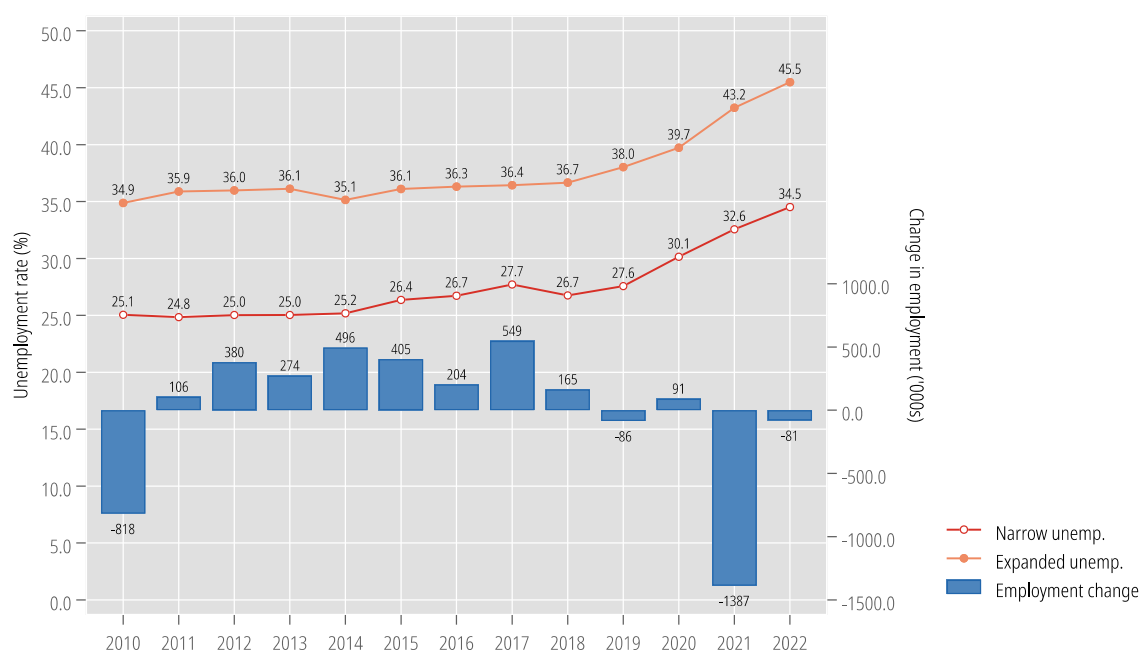
Region/Country	Actual			Forecast		
	2010-19	2020	2021	2022	2023	2024
World	3.5	-3.3	6.1	3.6	3.6	3.4
Emerging & Developing	4.8	-2.2	6.8	3.8	4.4	4.6
Sub-Saharan Africa	3.8	-1.9	4.5	3.8	4.0	4.2
South Africa (IMF)	1.5	-7.0	4.9	1.9	1.4	1.4
South Africa (SARB)	1.5	-6.4	4.9	1.7	1.9	1.9

Source: IMF (2022); SARB (2022a,b); and own calculations.

The economic fallout of COVID-19 is clearly evident in the labour market: the South African economy shed almost 1.4 million jobs during 2020, dwarfing the labour market impact of the global financial crisis (Figure 1). South Africa's already extremely high unemployment rate rose even further and has continued its upward trend in 2022. The narrow unemployment rate—the official rate, which requires that individuals actively be seeking work to be classified as unemployed—has risen by 4.4 percentage points since the first quarter of 2020, reaching a record 35.3 percent at the end of 2021 before falling slightly to 34.5 percent in the first quarter of 2022. Critically, 45.5 percent of the labour force are currently unemployed according to the expanded definition, which does not require active job search. This represents a 5.8 percentage point increase over the past two years.

As of the first quarter of 2022, there are 12.4 million adults unemployed according to the expanded definition of unemployment, of which 60 percent are youth. As a result, 9.7 million youth aged 15-34 years (46.3 percent of the youth population) were not in employment, education or training (the so-called NEETs). This is a staggering proportion that continues to increase rapidly, with the economy unable to grow employment at a pace sufficient to stem the rise in the unemployment rate. To put this weak job creation performance in perspective, to keep the unemployment rate constant from the first quarter of 2017, employment would needed to have grown by 1.6 million; instead, the economy shed 1.3 million jobs over the period (own calculations, Statistics South Africa, 2017-2022).

Figure 1. South African Labour Market Trends, 2010-2022



Source: Own calculations, Quarterly Labour Force Survey 2009-2022 (Statistics South Africa).

Note: Figures refer to the first quarter of each year. Year-on-year employment change shown.

Slowing economic growth and weak job creation have also contributed to constraints on public finances. The consolidated budget deficit, which remained between 3.6 percent and 4.3 percent of GDP between 2010/11 and 2018/19, jumped to 5.1 percent in 2019/20 and to 10.0 percent in 2020/21 (National Treasury, 2022). The deficit is projected to moderate to 6.0 percent in 2022/23 and to 4.2 percent by 2024/25. With the resulting increase in government debt, debt service costs have increased to 4.3 percent of GDP in 2021/22 and are projected to rise further to 5.0 percent by 2024/25 (National Treasury, 2022). Concerns around rising expenditure and debt have resulted in the adoption by National Treasury of a fiscal consolidation strategy that aims to stabilise the gross debt-to-GDP ratio before beginning to reduce it during the latter part of the 2020s. Given the state's constrained ability to raise additional revenues, this strategy has important implications for the expenditure side of the national budget and particularly on the public sector wage bill. Spending in the learning and culture function over the Medium-Term Expenditure Framework (MTEF) period is projected to rise by 2.8 percent per annum on average, compared to 3.2 percent for total consolidated expenditure; post-school education and training will, however, see more rapid increases in spending (4.8 percent per annum over the MTEF period) (National Treasury, 2022). Importantly, however, this is below the forecast inflation rate for the period (SARB, 2022a), indicating falling real expenditures in these areas.

The current economic environment has several key implications for INSETA and skills development within the insurance sector. First, prolonged economic weakness is likely to negatively impact employers' willingness to offer—and ability to finance—training for their existing workforce, as they divert scarce resources to ensure the continuation of their businesses. Second, this comes at a time when it is particularly important to expand training and employment opportunities to address high and rising rates of unemployment, particularly

amongst the youth. INSETA and training providers will need to be innovative in the expansion of training opportunities to reach the large number of NEETs, while at the same time ensuring the insurance sector has access to the requisite skills. Third, INSETA and education and training providers reliant on public funds will need to navigate a very much constrained financial environment, as government tries to rein in expenditure. This will require innovations aimed at generating greater efficiencies in order to reach larger target groups with fewer resources through, for example, greater use of online methods of delivery of training. Fortunately, many providers have already gained valuable experience in this area, one of the few benefits of the pandemic.

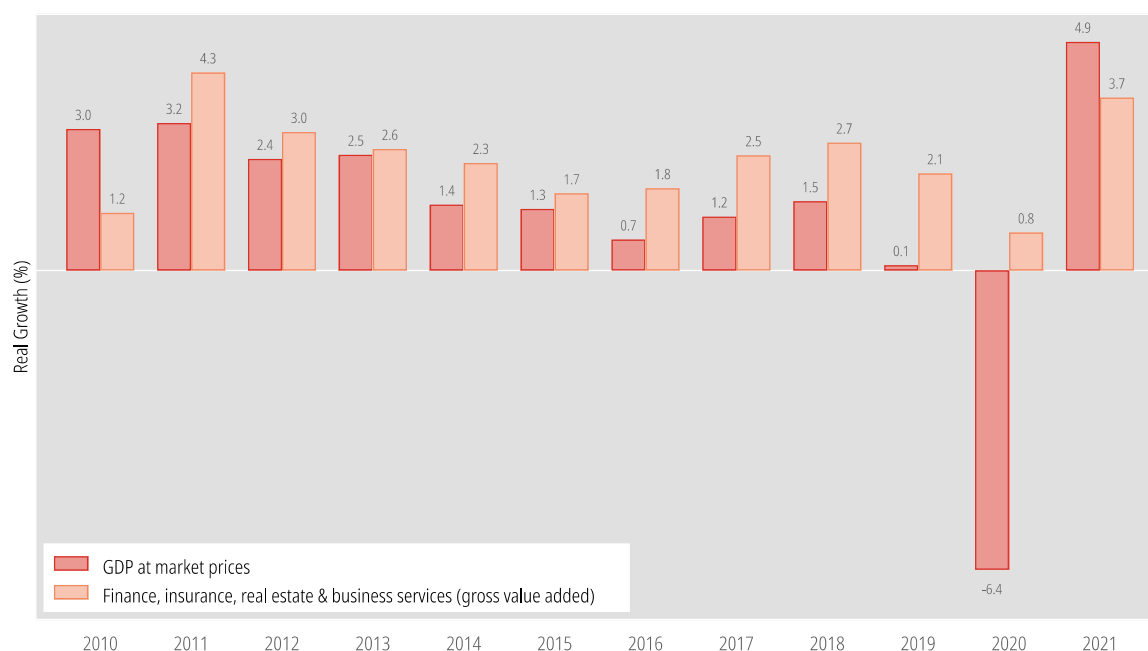
1.4.2. The Insurance Sector

The insurance sector forms part of the broader Finance, Insurance, Real Estate and Business Services industry ('finance industry'). The finance industry accounted for 25.9 percent of total gross value added in the South African economy in 2021, up from 22.4 percent in 2010 (own calculations, SARB, 2021). In line with this increased contribution to gross value added, the industry raised its share of total employment from 12.9 percent to 16.9 percent over the same period (own calculations, Statistics South Africa, QLFS 2010Q1 and 2021Q1). Data provided by the SARB indicates that the life and non-life insurance sectors—the closest sectoral match to INSETA's coverage—accounted for a growing share of GDP at basic prices over the 2019-2021 period, rising from 1.4 percent in 2019 to 1.6 percent in 2021. This indicates a strong growth performance for the sector relative to other sectors in the South African economy over the period.

South Africa's relatively weak economic growth record has been highlighted above, but Figure 2 illustrates how the rate of growth deteriorated gradually over most of the past decade. The finance industry has followed a similar pattern of generally weakening growth. That said, growth within the finance industry has outpaced that of the broader economy in virtually every year since 2010, indicating that the industry is one of the economy's important engines of growth. Indeed, the industry was a star performer in 2019, with a growth rate of more than two percentage points higher than the economy as a whole. In 2021, gross value added within the finance industry grew by 3.7 percent, compared to overall growth of 4.9 percent.

According to estimates from the Quarterly Employment Statistics, the insurance sector employed an estimated 226 000 people at the end of 2021, up 20.2 percent from five years earlier (Table 5). This expansion occurred while both the broader finance industry and the tertiary sector grew slowly (0.9 percent and 1.0 percent per annum respectively, compared to 3.7 percent in the insurance sector). By the fourth quarter of 2021, therefore, the insurance industry accounted for approximately 2.3 percent of total employment in the formal non-agricultural economy.

Figure 2. Finance, Insurance, Real Estate & Business Services Industry Growth, 2010-2021



Source: Own calculations using South African Reserve Bank (2021b).

Table 5. Employment and Earnings in the Insurance Sector, 2011-2021

	2011	2016	2021	Change (2016-2021)		
				Total	Relative (%)	Ave. Ann. Growth (%)
Employees ('000s)						
TOTAL NON-AGRIC. ECON.	8 760	9 778	10 016	237	2.4	0.5
TERTIARY SECTOR	6 522	7 450	7 787	337	4.5	0.9
Finance	1 939	2 232	2 340	109	4.9	1.0
... Insurance Sector	152	188	226	38	20.2	3.7
Gross earnings (R billion, Dec 2021 prices)						
TOTAL NON-AGRIC. ECON.	640.7	764.9	827.3	62	8.2	1.6
TERTIARY SECTOR	483.9	590.3	655.0	65	11.0	2.1
Finance	159.6	193.3	218.9	26	13.3	2.5
... Insurance Sector	19.9	26.9	35.6	9	32.4	5.8
Mean monthly earnings (R '000s, Dec 2021 prices)						
TOTAL NON-AGRIC. ECON.	24 377	26 077	27 535	1 459	5.6	1.1
TERTIARY SECTOR	24 729	26 410	28 039	1 629	6.2	1.2
Finance	27 432	28 872	31 183	2 311	8.0	1.6
... Insurance Sector	43 751	47 653	52 508	4 855	10.2	2.0

Source: Own calculations, Statistics South Africa (2022a,b).

Note: [1] Estimates for the "Insurance Sector" reflect the combined "Insurance and pension funding" (SIC code 82) and "Activities auxiliary to financial intermediation" (SIC code 83) sectors. [2] Estimates of employees and gross earnings are for the fourth quarter of each year. [3] Original rand values are adjusted for inflation.

Gross earnings within the insurance sector in the fourth quarter of 2021 are estimated at R35.6 billion, representing 4.3 percent of earnings within the formal non-agricultural economy, suggesting that earnings in the sector are relatively high. This is confirmed by mean monthly earnings, estimated at R52 508 per month for the insurance sector in 2021. This is substantially higher than in the finance industry and is almost twice that of the formal non-agricultural economy. At the same time, real mean earnings in the insurance sector have been growing relatively rapidly. Unfortunately, this data is unable to show where this growth is occurring: it could be due to rising earnings across all workers, rapidly rising earnings for only a subset of workers, or even the substitution of lower-earning less skilled workers with higher-earning more highly skilled workers.

The South African financial services sector is well-developed and highly competitive, and the insurance sector is no exception. The country was ranked 19th out of 141 countries in terms of the 2019 Global Competitiveness Report's Financial System pillar and was ranked third on the insurance premium indicator, which measures life and non-life insurance premium volumes relative to GDP (WEF, 2019). This is the latest edition of the report that provides detailed country-level scores. Not only is the insurance market characterised by a high degree of competition, but the sector also finds itself in competition with other financial services sectors for skills and expertise.

1.5. EMPLOYER PROFILE

In 2021, there were 3 603 active employers within the insurance sector (Table 6). The largest subsector within the sector in terms of the number of employers is activities auxiliary to financial intermediation, which comprises 1 272 employers (or 35.3 percent of the total). This is followed by short-term insurance (26.6 percent of all employers), funeral insurance (11.5 percent), life insurance (10.0 percent), and insurance and pension funding (8.7 percent). Looked at slightly differently, employers in the life insurance category represent 31.1 percent of employers, those in non-life insurance account for 30.6 percent of the total, while those that cut across categories (risk management and activities auxiliary to financial intermediation) account for 36.9 percent.

A total of 1 023 employers submitted Workplace Skills Plans and Annual Training Reports by the end of April 2022. Of these, the largest proportions were from activities auxiliary to financial intermediation (31.3 percent of submissions) and short-term insurance (30.3 percent). Life insurance is the subsector with the third-most respondents (14.2 percent of the total). No other subsector accounted for more than ten percent of submissions, with insurance and pension funding (8.6 percent) accounting for over one-third of the remaining submissions. This means that these four sectors are slightly overrepresented amongst WSP respondents relative to the overall structure of the sector, due to a relatively large proportion of respondents within life insurance and short-term insurance. At a more aggregated level, the non-life insurance sector is over-represented amongst WSP respondents, while the 'various' category is under-represented.

Overall, just over three-quarters (76.8 percent) of employers that submitted WSPs are small employers with up to 49 employees; a further 12.9 percent are medium employers (50-149 employees), while 10.3 percent are large employers (150+ employees). There is, however, substantial variation in the size distribution of the insurance subsectors as is illustrated in Figure 3. Small employers are the largest group within all subsectors. Their share of all

employers within the subsector is lowest in health care benefits administration (50.0 percent of employers), risk management (57.1 percent) and pension funding (57.1 percent). At the other end of the spectrum, all employers within unit trusts are small, while this is true of 85.6 percent of employers in activities auxiliary to financial intermediation.

Table 6. Insurance Sector Employers by Subsector, 2020-2022

SIC Code	Subsector	Active Employers				WSP Respondents	
		2020	%	2021	%	2022	%
81901	Unit trusts	26	0.8	28	0.8	7	0.7
81902	Risk management	60	1.8	58	1.6	14	1.4
82100	Insurance and pension funding	304	9.0	312	8.7	88	8.6
82110	Life insurance	345	10.3	361	10.0	145	14.2
82120	Pension funding	0	0.0	34	0.9	14	1.4
82131	Health care benefits admin.	113	3.4	121	3.4	42	4.1
82191	Short-term insurance	886	26.3	958	26.6	310	30.3
82192	Funeral insurance	388	11.5	415	11.5	70	6.8
82193	Reinsurance	23	0.7	22	0.6	13	1.3
83000	Auxiliary to fin. intermediation	1 195	35.5	1 272	35.3	320	31.3
Total		3 365	100.0	3 603	100.0	1 023	100.0
	Life insurance	1 037	30.8	1 122	31.1	317	31.0
	Non-life insurance	1 022	30.4	1 101	30.6	365	35.7
	Collective investments	26	0.8	28	0.8	7	0.7
	Various	1 255	37.3	1 330	36.9	334	32.6

Source: Own calculations, INSETA Database (2020b, 2021), INSETA (2022).

Note: The 1 023 submissions include submissions from employers on behalf of their subsidiaries. For the purposes of the analysis presented in this chapter, subsidiaries are treated as separate companies. Employers not reporting SIC codes (fewer than 30) are omitted.

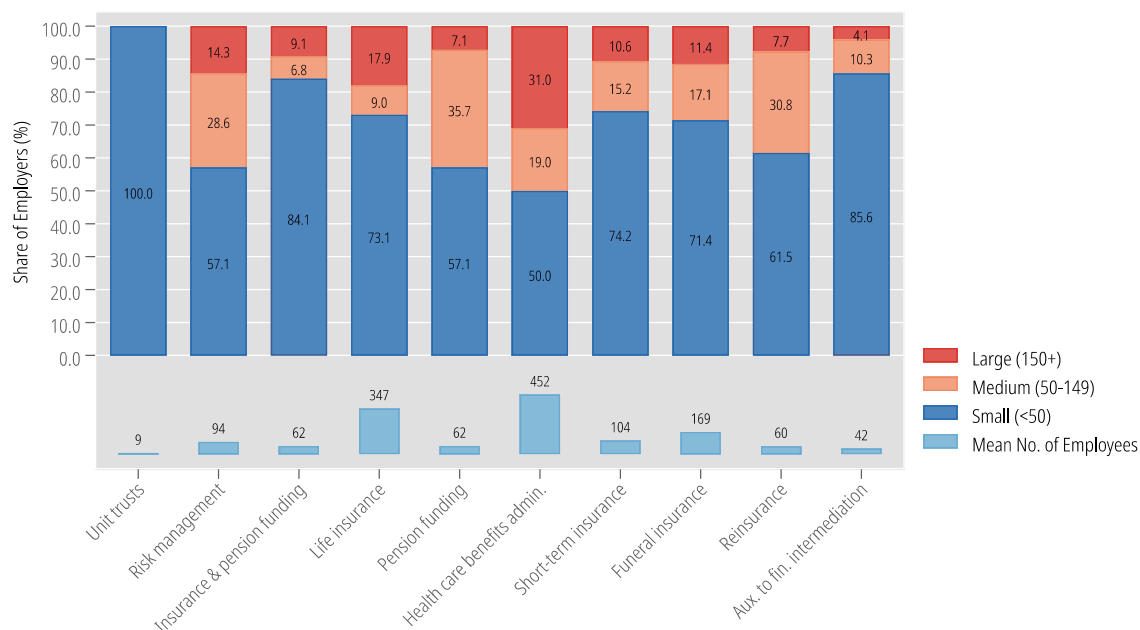
Large employers are particularly important within health care benefits administration (31.0 percent of employers), life insurance (17.9 percent) and risk management (14.3 percent). However, they represent just 4.1 percent of employers in activities auxiliary to financial intermediation and are absent from unit trusts. This means that medium firms are particularly prevalent within pension funding (35.7 percent of employers), reinsurance (30.8 percent of employers), and risk management (28.6 percent).

The lower portion of Figure 3 presents estimates of the mean number of employees per employer within each subsector. For the insurance sector as a whole, the average employer employs 132 people. The varying distributions of different size categories of employers across subsectors means that there is substantial variation in the mean number of employees per employer. Health care benefits administration and life insurance have the largest average employer sizes, followed by funeral insurance, short-term insurance and risk management. The unit trusts subsector is characterised by the smallest employers, followed by activities auxiliary to financial intermediation.

The insurance sector is therefore characterised by a high degree of concentration of employees within a relatively small number of employers, even though there is a large part of the sector where employers are relatively small. This means that, while the needs of a large

proportion of workers can potentially be addressed through engaging with a relatively small number of employers, reaching the remaining workers is much more challenging. Large employers account for 83.3 percent of employees, while small employers account for 7.8 percent. Indeed, amongst WSP respondents, the largest 20 employers account for 58.3 percent of employment, while the smallest 900 employers account for less than 8.5 percent.

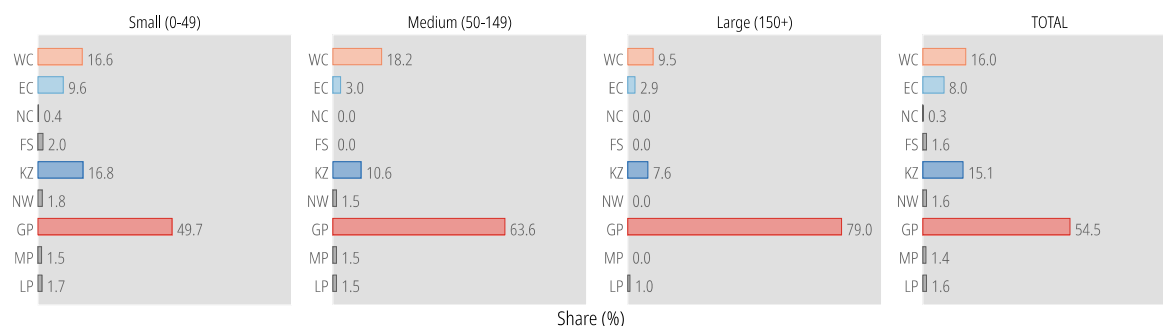
Figure 3. Size of Insurance Sector Employers by Subsector, 2022



Source: Own calculations, INSETA (2022).

The sector is also concentrated geographically in terms of employers. Figure 4 illustrates that just over half of employers in the insurance sector are located within Gauteng. The Western Cape accounts for an additional 18.8 percent of employees and 16.0 percent of employers, while KwaZulu-Natal is in third place with 15.1 percent of employers.

Figure 4. Spatial Distribution of Insurance Sector Employers by Firm Size, 2022



Source: Own calculations, INSETA (2022).

1.6. LABOUR MARKET PROFILE

Based on the 2022/23 WSP submissions, employment in the insurance sector is estimated at around 131 300. This section presents a description of employees in the insurance sector, with a specific focus on demographic and educational characteristics, as well as the occupational breakdown of employment.

Table 7 presents various information on the race, gender and disability status of employees in the insurance sector, disaggregating them across occupation and skill level. Of the 131 300 employees in the insurance sector, it is estimated that 56.0 percent are African and a further 20.8 percent are White. Coloureds account for 13.4 percent of employment in the sector, while 8.8 percent are Asians. At this very aggregated level, this indicates that Africans are significantly under-represented within the sector. For example, it is estimated that Africans accounted for 67.1 percent of employment in the broader finance industry and 75.1 percent in the tertiary (services) sector in the first quarter of 2022 (own calculations, Statistics South Africa, 2022).

Table 7. Employees in the Insurance Sector by Race, Gender, Disability Status, and Occupation, 2022

Occupation	Total (‘000s)	Share (%)							
		African	Coloured	Asian	White	Other	Male	Female	Living with Disability
High Skill Occupations	46.8	44.7	13.4	11.4	29.3	1.2	45.1	54.9	0.9
Managers	17.7	37.5	13.3	13.2	34.9	1.1	44.9	55.1	0.9
Professionals	29.1	49.1	13.5	10.3	25.8	1.3	45.2	54.8	1.0
Skilled Occupations	83.4	61.9	13.5	7.5	16.3	0.7	35.4	64.6	1.1
Technicians & Assoc. Prof.	47.2	63.6	9.8	7.4	18.2	1.0	37.4	62.6	0.6
Clerks	29.7	54.8	20.4	8.6	15.8	0.4	29.4	70.6	2.2
Service & Sales Workers	5.9	81.1	9.0	4.5	4.9	0.5	45.9	54.1	0.1
Skilled Agricultural, Craft & Related Trades	0.1	69.4	8.8	2.7	18.4	0.7	55.8	44.2	0.7
Operators & Assemblers	0.4	89.4	4.6	2.3	3.2	0.5	88.8	11.2	0.0
Low Skill Occupations	1.2	88.5	8.3	0.5	1.2	1.5	21.3	78.7	1.1
Elementary Occupations	1.2	88.5	8.3	0.5	1.2	1.5	21.3	78.7	1.1
Total	131.3	56.0	13.4	8.8	20.8	0.9	38.7	61.3	1.1

Source: Own calculations, INSETA (2022).

At the same time, the insurance sector is dominated—in terms of employment—by women, who account for 61.3 percent of employment. This compares favourably with estimates of 42.5 percent in the finance industry and 50.3 percent in the tertiary sector overall (own calculations, Statistics South Africa, 2022).

The insurance sector is a relatively skills-intensive sector. Of the 131 300 employees in the sector, 46 800 (35.6 percent) are employed in high skill occupations and a further 83 400 are employed in skilled occupations. This means that just 1 200 individuals—or 0.9 percent of the

total—are employed in low skill or elementary occupations. In comparison, around 21 percent of employees in the finance industry were employed in low skill occupations and less than 23 percent were employed in high skill occupations in the first quarter of 2022 (own calculations, Statistics South Africa, 2022). Technicians and associate professionals constitute the largest major occupation within employment in the sector (35.9 percent), followed by clerks (22.6 percent), professionals (22.1 percent) and managers (13.5 percent).

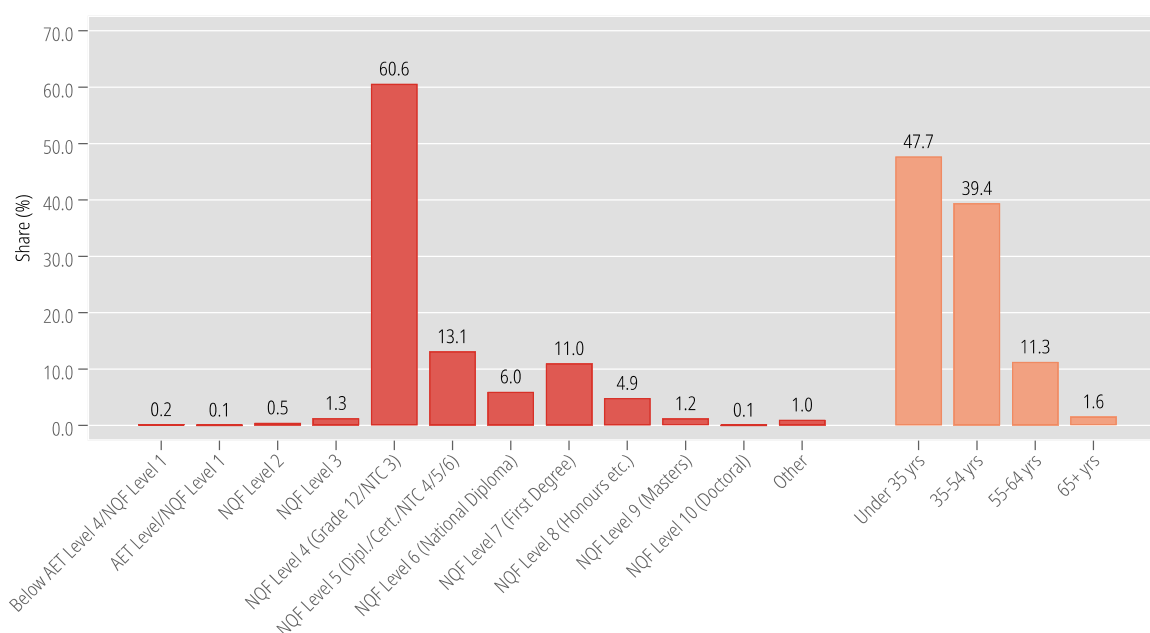
Table 7 also disaggregates employment at the occupational level by race and gender, highlighting the challenge that faces the sector in terms of transforming employment so that it reflects the demographic profile of the labour force or of the working age population. It is clear from the data that Africans are far more dominant within less skilled occupations: while nearly nine out of ten workers in elementary occupations are African, this is true of eight out of ten service and sales workers, six out of ten technicians and associate professionals, and fewer than four out of ten managers. Conversely, more than one-third of managers are White compared to less than five percent of service and sales workers, 3.2 percent of operators and assemblers, and 1.2 percent of elementary occupations. Asians also tend to be over-represented within higher skilled occupations, while Coloureds are particularly prevalent amongst clerks.

From a gender perspective, while women dominate within total employment in the sector, they are less likely to be employed in high skill occupations. More than three-quarters (78.7 percent) of elementary workers in the sector are women, as are 70.6 percent of clerks. In contrast, women account for 54.9 percent of those in high skill occupations. Nevertheless, women still outnumber men in absolute terms in high skill occupations. Finally, 1.1 percent of workers in the sector are living with a disability, with relatively little variation across occupations. Clerks have the highest proportion of people living with a disability (2.2 percent).

The relatively skilled occupational structure of employment in the insurance sector described above is reflected in the distribution of employees across qualification levels. As Figure 5 illustrates, nearly six out of ten employees in the sector have National Qualifications Framework (NQF) Level 4 qualifications, the equivalent of a matric certificate, while just 2.1 percent have lower-level qualifications (NQF 1-3). Nearly one-fifth (19.1 percent) of employees have either NQF Level 5 or 6 qualifications: 13.1 percent have NQF Level 5 qualifications, which include diplomas and certificates, while 6.0 percent have national diplomas (NQF Level 6). This means that another 17.1 percent of employees have higher level qualifications. Of these, around two-thirds have a first degree (NQF Level 7), and one-quarter have the equivalent of an Honours degree (NQF Level 8). This concentration of employment at higher NQF levels has important implications for the nature of skills development interventions that are demanded within the sector.

The righthand portion of Figure 5 presents the age breakdown of employees in the sector. A plurality of employees (47.7 percent) is under the age of 35 years, and a further 39.4 percent are aged 35-54 years. Only 11.3 percent are aged between 55 and 64 years, with 1.6 percent aged 65 years and older. This suggests that a relatively large share of employees is youth, which perhaps does not accord with the common perception of an ageing workforce in the sector. Unfortunately, the WSP data does not allow for a more detailed disaggregation by age, which might shed more light on the exact age profile of employees in the sector.

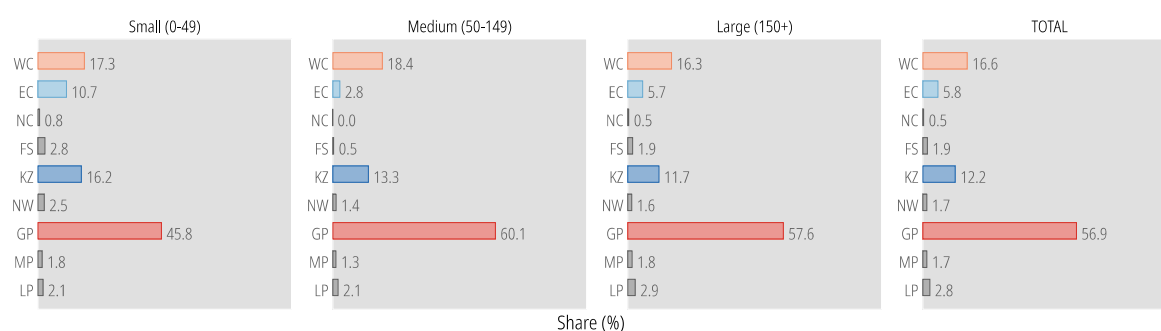
Figure 5. Qualification Level and Age of Employees in the Insurance Sector, 2022



Source: Own calculations, INSETA (2022).

Finally, Figure 6 illustrates the distribution of employees across provinces in South Africa. As with employers, Gauteng is dominant, accounting for 56.9 percent of employees in the insurance sector and even higher proportions when considering employment in medium and large firms. Gauteng is followed by the Western Cape (16.6 percent of all employees in the sector) and KwaZulu-Natal (12.2 percent). When compared to the distribution of employers presented in Figure 4, the data suggests that employers are larger (in terms of employees per employer) than average in Gauteng and the Western Cape, but smaller than average in KwaZulu-Natal.

Figure 6. Spatial Distribution of Insurance Sector Employees by Firm Size, 2022



Source: Own calculations, INSETA (2022).

1.7. CONCLUSION

The COVID-19 pandemic and the public policy response continued to dominate attention around the world over the past 12 months. The pandemic has had significant economic fallout globally and South Africa was not spared, although growth rebounded strongly in 2021.

However, growth forecasts suggest a significant moderation in real GDP growth over the 2022-2024 period. A key weakness in South Africa's economic performance has been in the area of job creation. Unemployment has risen strongly since 2018, with more than one-third of the labour force unemployed according to the narrow definition of unemployment in early 2022. Further, the substantial demands made on the fiscus to mitigate the effects of the pandemic and the associated lockdowns compounded the significant challenges facing the fiscus, resulting in government pursuing a policy of fiscal consolidation which is forecast to result in reduced real spending in the learning and culture function over the MTEF period.

Within this economic environment, the insurance sector has managed to continue to grow, with growth outpacing the national average. As a result, the contribution of the life and non-life insurance subsectors to GDP at basic prices increased from 1.4 percent to 1.6 percent between 2019 and 2021.

The current economic environment has at least three key implications for skills development within the insurance sector. First, employers are likely to be less willing to offer and less able to finance training of their existing workforce as their resources become increasingly constrained. Second, skills development and employment opportunities are, as a result, critically important to address rising unemployment, particularly amongst the youth. Third, INSETA and education and training providers reliant on public funds will need to operate within significant financial constraints, as government spending is curtailed at the same time as income from the skills development levy is negatively impacted.

The insurance sector is characterised by a high degree of concentration of employment within a small number of employers and locations, and a relatively highly skilled workforce. Amongst WSP respondents, the largest 20 employers account for 58.3 percent of employment in the sector, while 73.5 percent of employment is in Gauteng and the Western Cape. This suggests that the skills development needs of a relatively large proportion of workers can potentially be addressed through engaging with a relatively small number of employers in a small number of locations. At the same time, INSETA faces a challenge of discerning the needs of a large number of small employers dispersed across the breadth of the country.

Six out of ten employees in the sector have NQF Level 4 qualifications, while a further 36 percent have qualifications at NQF Levels 5 through 10. This pattern of qualifications is also reflected in the occupational structure of employment, with nearly two out of five workers employed in high skill occupations. Consequently, skills development interventions that cater to the needs of employers in the sector will reflect this distribution and will be geared towards higher NQF levels.

From an employment equity perspective, the insurance sector has had some successes but also faces important challenges. Three-fifths of insurance sector employees are female, significantly above the proportion within the finance industry as a whole. However, while Africans dominate within the sector, they are under-represented relative to the broader finance industry and within more highly skilled occupations. Skills development interventions are therefore needed to support the continued transformation of the sector, equipping young Africans in particular to take up more highly skilled and higher-level positions.

CHAPTER 2: KEY SKILLS CHANGE DRIVERS

2.1. INTRODUCTION

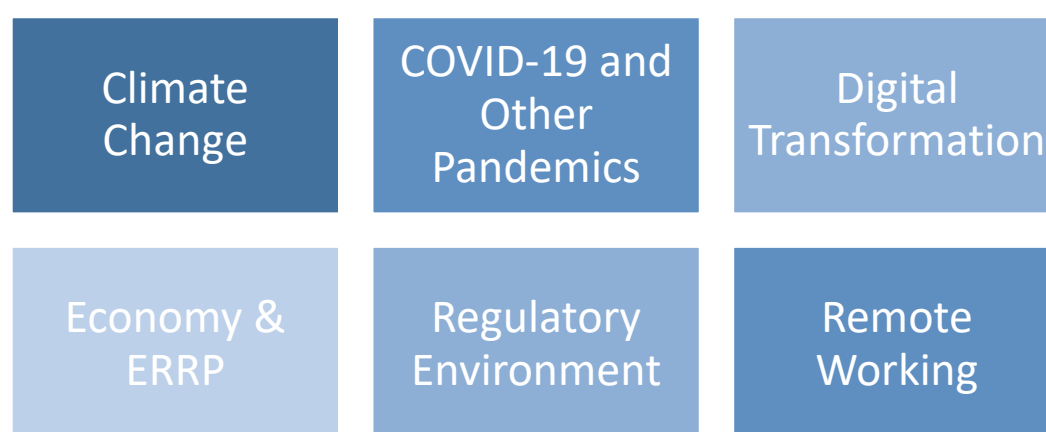
INSETA continually conducts research on change drivers through its projects and stakeholder engagements. Along with the change drivers that already exist in the sector, the COVID-19 pandemic and the associated measures aimed at containing infections have been disruptive for the entire economy. The pandemic has brought new change drivers into focus, while also complicating the effects of pre-existing change drivers.

Information on change drivers and their impact on skills development has been acquired from a literature review of trade publications; interviews with key informants in the sector; and discussions with human resource development experts in the Research and Programme Learning Steering Committee.

2.2. KEY CHANGE DRIVERS

INSETA has identified several change drivers impacting on skills demand and supply in the sector.

Figure 7. Key Change Drivers in the Insurance Sector



These key change drivers have specific implications for skills development in the insurance sector, and these are described in Table 8 in alphabetical order.

Table 8. Key Change Drivers and Implications for Skills Development

Change Driver	Implications for Skills Development
Climate Change	
Linked to the rise in frequency and severity of natural disasters, climate change has direct implications for insurers. In response, regulators are increasingly requiring greater active management and board oversight of climate-related risks, as well as public disclosure of climate change assessment metrics, risk management strategies and climate change risk reporting. Climate change may directly impact the sector through increased claims	Reskilling is required—for both employees and boards—to incorporate climate change in the areas of liability, underwriting, risk management, regulations, investment, pricing, and asset risks. Skills to appropriately model climate change risks are critical. Skills are also needed to develop climate change

Change Driver	Implications for Skills Development
due to climate change-induced losses. The recent floods in KwaZulu-Natal are viewed as an example of the type of impacts that can be expected.	assessment metrics, risk management reporting strategies, and climate change risk reporting.
COVID-19 and Other Pandemics	
The COVID-19 pandemic has impacted the sector in various ways and has, in many respects, amplified existing trends. Insurers have had to review and update disaster management plans and take steps to service clients with minimum disruption, while also setting and adapting safety protocols. This has been particularly challenging for smaller firms and those that have historically been deeply reliant on face-to-face interactions with clients. The crisis is also likely to increase policy lapses and reduce sales as the economy struggles to return to growth. At the same time, the pandemic has revealed how vulnerable our interconnected global economy is to the emergence of new pandemics and diseases.	With training budgets constrained and the need for training urgent, reprioritisation of training and more efficient delivery of training are essential. Training is also needed to support businesses to transition to new modes of operation (e.g., supporting intermediaries shift to remote selling of products). Going forward, insurers require deeper understanding of the risks of future pandemics, and how these may impact on their clients.
Digital Transformation	
This process has been a longer-term trend and has been accelerated by COVID-19. Clients in the sector want seamless, quick and faceless interactions, requiring a new kind of tech-savvy marketer. Companies need to offer faster, cheaper products; create online tools to 'sweat' their distribution channels; develop digital portals, customer self-service and automation of back-end processes; and engage with customers through online social networks, while managing cybersecurity risks.	There are attractive career opportunities for graduates in technology areas such as cybersecurity, blockchain, artificial intelligence, predictive analysis, social media, digital marketing, open-source and machine learning.
Economy and the Economic Recovery and Reconstruction Plan (ERRP)	
Economic growth has long been unable to effectively reduce unemployment and poverty, while inequality remains stubbornly high. Despite good growth in 2021, the path to economic recovery will be long. Other problems impacting the economy include corruption and poor governance of state-owned enterprises and local governments, high fuel prices and transport costs, and a lack of a dynamic SMME sector. INSETA has introduced or reoriented various interventions to respond to select areas of the ERRP, including the green and digital economy, public employment, and the presidential youth employment intervention.	Efforts should be focused on saving existing jobs through, for example, retrenchment mitigation schemes such as the Training Layoff Scheme. Further, short skills training courses are needed to enable employees to work effectively in a post-COVID world. There should be a major focus on technology training for employees at all levels and linking with the ERRP plan.
Regulatory Environment	
The insurance sector has been impacted by several legislative and regulatory changes over the past	These changes have direct and indirect implications for skills develop-

Change Driver	Implications for Skills Development
<p>several years, with several other changes looming. These include the implementation, on 1 April 2018, of a Twin Peaks regulatory model through the Financial Sector Regulation (FSR) Act; the Insurance Act 18 of 2017, which took effect from 1 July 2018 and will eventually replace the Long-term and Short-term Insurance Acts; the Protection of Personal Information (POPI) Act 4 of 2013, which came into effect on 1 July 2021; the Conduct of Financial Institutions (CoFI) Bill, which will provide the framework for licensing based on the type of activity; secondary legislation under the Financial Sector Conduct Authority (FSCA), which will include Insurance Notices, Policyholder Protection Rules (PPRs), other Regulations and Conduct Standards; and, finally, National Health Insurance (NHI), which holds important implications for the sector.</p>	<p>ment. The CoFI Bill will impact on the sector through requirements for professionals to upgrade their knowledge and skills to ensure that clients receive competent professional services. Employees in the sector also need to be trained in applying the provisions of the POPI Act in everyday operational activities to ensure that all the personal information of natural and juristic persons is protected. Occupations in high demand need to be filled to ensure the success of the NHI, while those in these occupations need to be trained to strengthen their knowledge of the bill as well as their skills to carry out the various insurance-related aspects of the bill.</p>
Remote Working	
<p>COVID-19 has emptied office buildings around the world. While the initial challenge for insurers was to ensure business continuity as they shifted to remote working arrangements, employers also needed to grapple with managing extended remote working and the gradual return to on-site work. Much of the challenge has been technological: putting in the necessary protocols and systems, ensuring access to the appropriate equipment, and managing privacy, data security, cybersecurity risks and other related challenges. While workers have begun returning to offices across the economy, it remains to be seen how this experience will impact working arrangements over the longer-term.</p>	<p>Training to enhance employees' digital capabilities as they navigate remote working has been a clear area of need, particularly in supporting ongoing connections to colleagues and customers. Managers need to be equipped to manage and motivate staff remotely. On the positive side, remote work has revealed to many employers the possibility of sourcing skills globally.</p>

2.3. POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY

INSETA has taken measures to support the national strategies and plans, embedding the relevant policy positions in the INSETA Strategic Plan and Annual Performance Plan.

National Development Plan 2030 (NDP)

The National Development Plan 2030 has identified the following nine key areas to achieve a development approach that is sustainable and inclusive:

- Creating jobs and livelihoods (supported through learnerships, internships, bursaries).
- Expanding infrastructure (establishing regional offices in areas deemed crucial).
- Transitioning to a low-carbon economy.
- Transforming urban and rural spaces (through dedicated and deliberate projects).

- Improving education and training (support through mandatory/discretionary grants).
- Providing quality healthcare (supported through mandatory/discretionary grants).
- Building a capable state.
- Fighting corruption and enhancing accountability (complying with the PFMA).
- Transforming society and uniting the nation (contributing to the National Skills Fund).

Concerning structural challenges, it is vital that INSETA supports retraining efforts.

Human Resource Development (HRD) Strategy for South Africa 2010-2030

Strategic priorities (SP) of the above strategy that impact skills planning initiatives include:

- **SP 4:** To ensure that all new labour market entrants have access to employment-focused education and training opportunities. INSETA supports this by ensuring that education and training are linked to scarce and critical skills and qualification development, and through learnerships, internships, bursaries, and skills programmes.
- **SP 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 Broad-Based Black Economic Empowerment Act and the Financial Sector Charter are met. INSETA also provides support through mandatory and discretionary grants.
- **SP 9:** To meet INSETA's skills planning needs for 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 youth, where unit standards relevant to the insurance sector are offered.

WHITE PAPER FOR POST-SCHOOL EDUCATION AND TRAINING (PSET)

- The White Paper sets out strategies to improve the capacity of post-school education and training system to meet the country's needs. INSETA therefore provides support to universities and TVET colleges through various funding interventions.
- It is envisaged that all institutions—including 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—play their role as part of an integrated PSET system. This includes institutions that support the education and training process, such as the SETAs. INSETA supports this vision through research partnerships.
- The White Paper recognises the importance of partnerships between educational institutions and employers. Employers must be drawn closer to the education and training process as they are among its major beneficiaries. INSETA supports this through learnerships, internships, bursaries, and skills programmes for graduates and officials.

NATIONAL SKILLS DEVELOPMENT PLAN (NSDP)

The NSDP derives from the broader plan of government, namely the NDP, which aims to put in place the framework whereby we 'build the capabilities for 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, [and] inadequate legislative oversight". All INSETA targets and actions are linked to the NSDP outcomes.

ECONOMIC RECONSTRUCTION AND RECOVERY PLAN (ERRP)

The ERRP was announced in October 2020 in response to the severe economic impact of the COVID-19 pandemic. INSETA has identified the following sectors linked to the key skills change drivers as those to be supported in line with the ERRP:

- Climate Change & Green Economy—Research & Development on Green skills: Meetings with FEDUSA on impact of green skills across various sectors including agriculture. The pursuit of green industrialisation and a green future is an important area for INSETA and the insurance sector.
- Digital Transformation—Infrastructure (IT) in Public TVETs: Upskilling and reskilling on innovation in the delivery of infrastructure.
- Rural Development in partnership with Public TVETs: Support Rural SMME businesses by multiskilling partnerships; and programmes to enhance business leadership and financial sustainability.
- Youth employment in partnership with insurance employers and Public TVETs: INSETA's programmes are geared towards promoting greater participation by black people, women, youth and persons with disability at all economic levels.

INSETA is contributing towards two critical Ministerial projects in relation to the Economic Reconstruction and Recovery Plan (ERRP). These are:

- Internships programmes for 800 unemployed youth from public Universities, Universities of Technology and learners who completed Learnerships in the insurance sector.
- 600 unemployed youth, who have completed N6 NATED programmes at TVET Colleges, will be supported through WIL programmes and placed in workplaces within and outside the insurance sector, to obtain their diplomas on completion of WIL programmes.

In addition, after having experienced the huge number of applications for funding that far exceeded the available budget, INSETA resolved to source additional funding that will be used to support learners through learnerships and internships. Specifically, the focus will be on learners from rural areas. INSETA has started the drive to encourage as many employees as possible to host learners funded under the ERRP project. In addition, youth employability programmes will include components such as: work readiness programme (for TVET WIL programmes) that is crafted from insurance-specific qualifications to ensure learners are more attractive to employers; digital skills; and entrepreneurship

2.4. CONCLUSION

Six change drivers identified by the insurance sector require ongoing consideration: climate change, COVID-19 and other pandemics, digital transformation, the economy and the ERRP, the regulatory environment, and remote working. Each of these change drivers require the insurance industry to respond effectively and ensure that it has access to the skills necessary to navigate these changes in a competitive and rapidly evolving sector. Given the significant socioeconomic challenges facing South Africa, the insurance sector should continue to engage on issues such as transformation, job creation, and access to financial services.

INSETA has taken steps to support national plans and strategies, including the recently announced ERRP. This includes two critical Ministerial projects in relation to the same ERRP, specifically involving internships and work-integrated learning. These include learnerships, internships and bursaries to support the NDP. In terms of this plan INSETA will also support learners in rural areas. Finally, INSETA's Youth Employability Programmes are a direct response to the ERRP.

CHAPTER 3: OCCUPATIONAL SHORTAGES AND SKILLS GAPS

3.1. INTRODUCTION

The purpose of this chapter is to identify occupational shortages and skills gaps. As part of the process, the Top 10 list of sectoral priority occupations in the insurance sector is devised and hard-to-fill vacancies are identified based on data from an INSETA employer survey, carried out during 2017. The COVID-19 pandemic has had wide-ranging impacts across a broad range of activities, including the post-school education and training (PSET) sector. Through its disruptive economic effects, the pandemic also has implications for the demand for and supply of specific occupations and skills.

To inform this chapter, INSETA administered surveys to companies in the insurance sector in April 2020. The purpose of the survey was to determine how companies were responding to the challenges posed by the COVID-19 lockdown, which took effect in South Africa on 27 March 2020. A web-based survey was sent out to insurance companies registered with INSETA in April 2020 (114 respondents), with a follow-up survey administered in September 2020 (90 respondents). These surveys provided interesting new information about skills gaps and future occupational shortages.

3.2. HARD-TO-FILL VACANCIES

A key labour market signal of occupational shortage is that of hard-to-fill vacancies (HTFV). A hard-to-fill vacancy arises where an organisation has taken longer than six months to find a suitably qualified and experienced candidate to fill a position. HTFVs within the insurance sector have been explored using two different data sources. First, in a recent HTFV survey, which formed part of a larger employer survey submitted to the Department of Higher Education in August 2020, several HTFVs were identified across 21 companies. The sample consisted of 12 large, four medium and five small companies. The HTFVs were identified through content analysis and the occurrence of commonalities. Occurrence of commonalities in terms of occupations is defined as the occurrence of the same occupation across one or more companies. Table 9 lists ten commonly occurring occupations identified in this study.

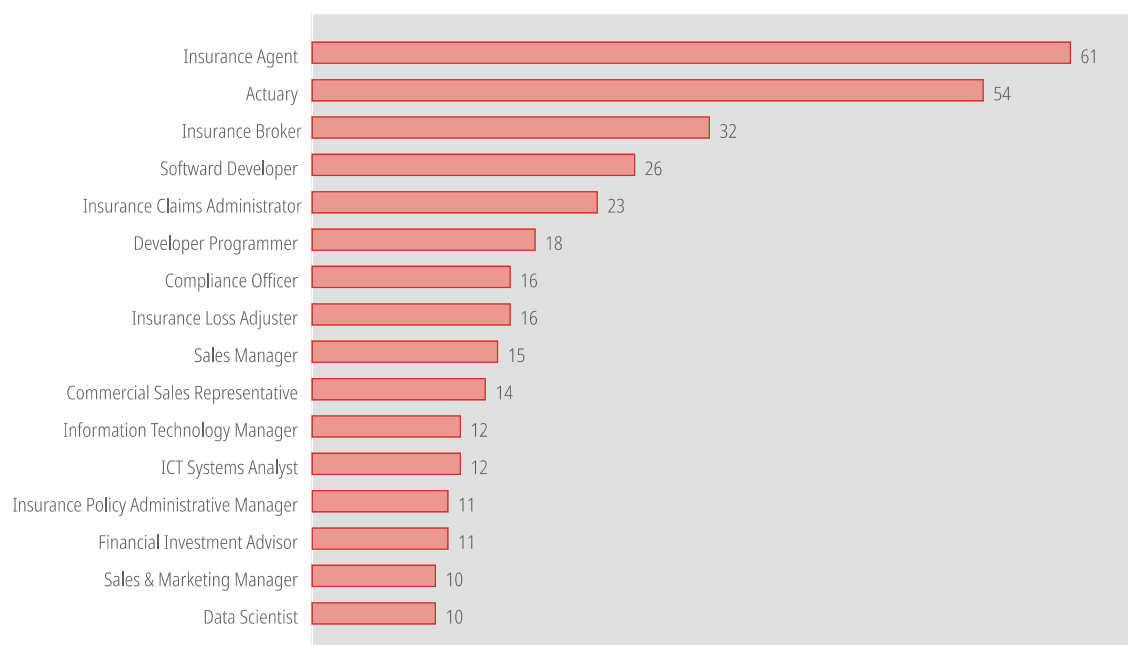
Table 9. Commonly Occurring Hard-to-Fill Vacancies from the Employer Interviews

OFO Code – Version 19	Hard-to-Fill Vacancy
2019-251201	Software Developer
2019-251102	Data Scientist
2019-212101	Actuary
2019-331401	Statistical & Mathematical Assistant
2019-242207	Compliance Officer
2019-122101	Insurance Sales & Marketing Manager
2019-431204	Insurance Claims Administrator
2019-332503	Insurance Broker
2019-331503	Insurance Loss Adjuster
2019-122103	Director of Marketing

Source: INSETA (2020a).

In addition, companies were required to submit responses to HTFV questions in the WSP for 2021/22. A total of 1 098 employers had submitted WSPs by 30 April 2021, including 113 large employers, 126 medium employers and 856 small employers. WSP respondents indicated that 16 occupations experienced a total of 341 HTFVs over the preceding 12-month period. These are presented in Figure 8.

Figure 8. Occupations Experiencing Hard-to-Fill Vacancies in the Insurance Sector 2021/2022



Source: ATR/WSP data 2021/2022.

Two occupations stand out as having a large number of HTFVs, namely insurance agent and actuary. Employers in the insurance sector reported 61 HTFVs for insurance agents, and 54 HTFVs for actuaries. Insurance broker (32) and software developer (26) follow in third and fourth position respectively. The occupations listed in descending order of frequency are the following: insurance agent, actuary, insurance broker, software developer, insurance claims administrator, developer programmer, compliance officer, insurance loss adjuster, sales manager, commercial sales representative, information technology manager, information and communication technology (ICT) systems analyst, insurance policy administrative manager, financial investment advisor, sales and marketing manager, and data scientist. Interestingly eight of these HTFVs are insurance-specific. Three of the HTFVs are IT-related, while a further three are related to sales.

The results from these two approaches—HTFVs arrived at through content analysis and those obtained through frequency distributions—reveal several occupations common to both lists. These are software developer, actuary, compliance officer, insurance claims administrator, insurance broker, data scientist, sales and marketing manager, and insurance loss adjuster.

Reasons for HTFVs in the top 16 sectoral priority occupations were explored through the WSP/ATR for 2021/22. The frequency with which each reason was cited by employers is presented across the 16 occupations in Table 10. The most cited reason for HTFVs is that applicants lack appropriate work experience for the post: this reason was cited a total of 214

times across the 16 occupations. The second most cited reason is that applicants lack the required qualifications for the post (cited 134 times in total), followed by equity considerations in third place, having been cited 93 times.

Table 10. Reasons for Hard-to-Fill Vacancies, 2021/2022

OFO Code	Occupations	Applicant lack required educational qualifications for post	Applicants lack appropriate work experience for post	Remuneration and employment conditions not appropriate for post	Post is in an inappropriate location	Job too demanding and/or does not have regular hours (shift work)	Equity considerations (race, gender and/or disability)
332101	Insurance Agent	35	28	8		2	14
212101	Actuary	27	26	8		1	22
332102	Insurance Broker	7	15	5	2		12
251201	Software Developer	9	21	2		1	1
431204	Insurance Claims Administrator	9	15	2			5
251203	Developer Programmer	6	15	5	1		6
242207	Compliance Officer	7	14	1			5
331503	Insurance Loss Adjuster	1	15	3	1		5
122102	Sales Manager	9	14				2
332201	Commercial Sales Representative	1	13	3			1
133105	Information Technology Manager	6	8	2			4
251101	ICT Systems Analyst	5	11	1			4
134911	Insurance Policy Admin. Manager	3	7	3			5
241301	Financial Investment Advisor	5	6	1			4
431204	Data Scientist		6	1	2		3
	<i>Total</i>	<i>134</i>	<i>214</i>	<i>49</i>	<i>6</i>	<i>4</i>	<i>93</i>

Source: ATR/WSP data 2021/2022.

These results are important because they highlight the complementarity of qualifications and work experience and indicate that a lack of either can give rise to HTFVs within the sector. Addressing challenges around qualifications is the focus of various policies and interventions in South Africa, requiring action throughout the education and training systems to improve access and opportunities. Work experience as a pre-requisite for employment, however, creates a chicken-and-egg problem and presents significant challenges to labour market entrants and recent graduates given the country's high rate of unemployment. Internships and volunteering are often touted as solutions, but this fails to recognise graduates' financial constraints and responsibilities and the fact that few households can afford to support young people while they gain work experience with little or no pay.

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. THE IMPACT OF COVID-19 ON INSETA EMPLOYERS

Several conclusions were drawn from responses to INSETA's Covid-19 Survey (May 2020) with respect to the impact of Covid-19 on INSETA stakeholder companies. These include:

- Most companies (60 percent) were unable to tell what the impact of lockdown would be on the future of their workforce.
- Two-fifths (40 percent) of companies expected retrenchments of at least part of their workforce.
- Four-fifths (83 percent) of companies viewed skills development as a priority during lockdown.
- Information technology (IT), occupational health and safety (OHS), marketing, and communication were viewed as priority skills areas by companies.
- Almost three-quarters (71 percent) of respondents believed that INSETA should provide more learning opportunities to employees.

3.4. SKILLS GAPS BY MAJOR CATEGORY

Asmal *et al.* (2020), in the report on *Skills Supply and Demand in South Africa*, define skills gaps as referring to “a situation in which a worker lacks a particular skill required for a job”. Skills gaps can also refer to top-up skills needed by employees. Since skills gaps exist in relation to an individual worker and a particular job, it is not possible to identify all the skills gaps within the economy or within a sector. One approach, however, is to consider different categories of skills gaps instead of individual skills gaps, and then to identify the most common categories for different occupations.

Table 11 presents the most frequently mentioned skills gaps in the 2021/22 WSP/ATR submissions for each of the major occupational groups. Employers were able to select 21 different skills gaps and, for the five occupational groupings that dominate employment in the sector—managers, professionals, technicians and associate professionals, clerical support workers, and service and sales workers; for these occupations, only those skills gaps that received at least 15 mentions are included in the table.

Table 11. Most Common Skills Gaps Identified by WSP Respondents by Major Occupation

Major Occupational Group	Types of Skills Gaps	
Managers	Management & leadership (129) Legal, governance & risk (53) Advanced IT & software (45) Project management (29) Planning & organising (28) Interpersonal (26)	Problem-solving (25) Communication (oral & written) (24) Technical (Job specific) (23) Supervisory (19) Finance & accounting (17)
Professionals	Advanced IT & software (52)	Problem-solving (24)

Major Occupational Group	Types of Skills Gaps	
	Technical (job specific) (48) Management & leadership (36) Project management (35) Planning & organising (34) Legal governance & risk (29) Communication (oral & written) (27)	Supervisory (24) Customer service skills (21) Financial & accounting (21) Interpersonal (18) Marketing & sales (17)
Technicians & Associate Professionals	Technical (job specific) (63) Advanced IT & software (38) Problem-solving (37) Communication (oral & written) (32) Customer service skills (30) Interpersonal (24)	Planning & organising (22) Project management (22) Legal, governance & risk (21) Management & leadership (18) Marketing & sales (16) Team working (16)
Clerical Support Workers	Customer service skills (60) Communication (oral & written) (46) Problem-solving (36) Technical (job specific) (36) Office administration (35)	Planning & organising (28) Basic computer (IT) (27) Advanced IT & software (26) Interpersonal (20) Team working (15)
Service & Sales Workers	Customer service skills (48) Communication (oral & written) (31) Marketing & sales (28) Technical (job specific) (216)	Problem-solving (20) Planning & organising (16) Basic computer (IT) (15) Interpersonal (15)
Skilled Agricultural, Forestry, Fishery & Craft Workers	Basic Computer (IT) (8) Planning & Organising (7) Communication (oral & written) (7)	Customer service skills (5) Advanced IT & software (4)
Plant & Machine Operators & Assemblers	Communication (oral & written) (10) Basic Computer (IT) (7) Customer service skills (6) Planning & organising (6)	Advanced IT & Software (4) Interpersonal (4) Planning & organising (4)
Elementary Occupations	Basic computer (IT) (29) Communication (oral & written) (22) Reading, writing & numeracy (18) Customer service skills (10) Interpersonal (9) Occupational, health & safety (9)	Problem-solving (8) Planning & organising (7) Team working (6) First aid (6) Office administration (5) Technical (job-specific) (4)

Source: WSP/ATR data 2021/2022.

The table depicts the strongest skills gaps associations per major occupational grouping, highlighting only the strongest (highest frequency of occurrence scores) and most relevant skills gap associations. It is clear that the skills gaps associations and their relative strengths differ between each of the occupational groupings. The frequency of occurrence of skills gaps in the Skilled Agricultural, Forestry, Fishery and Craft Workers, and Plant Machine Operators and Assemblers major occupational groupings respectively, is low since these occupational groupings account for a tiny fraction of employment within the insurance sector (see Table

7). Each of these skills gap types per occupational grouping can be considered as making up a construct for each of these occupational groupings. For example, the relatively common skills gaps between managers, professionals, and technicians and associate professionals are management and leadership, project management, legal governance and risk, planning and organising communication (oral and written), technical (job-specific), advanced IT and software, problem-solving and interpersonal.

The groupings at the lower end of the major occupational grouping spectrum: skilled agricultural forestry and fishery, plant machine operators and assemblers and elementary occupations share a number of skills gaps at varying degrees of frequency: planning and organising, communication (oral and written), and customer service skills.

Two of the skills gaps occurring inside the service and sales workers occupational grouping (viz. customer service skills, and marketing and sales) are specifically related to the sales industry.

3.5. SKILLS GAPS BY OCCUPATION

A composite profile of skills gaps associated with sectoral priority occupations in the insurance sector has previously been constructed and is presented in Table 12. This data highlights the complexity of skills gaps associated with these priority occupations, and provides a construct of role activities, level of experience and key performance activities for these occupations.

Table 12. Skills Gaps Identified for INSETA's Sectoral Priority Occupations

Sectoral Priority Occupations (OFO)	Skills Gaps
Insurance Agent	Insurance Sales meet fit and proper requirements (FAIS compliant); Personal, Commercial and Technical; Medical Underwriting
Insurance Broker	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	Moses testing; VBA; C++; Actuarial studies and exams; IT skills & programming; risk calculation; unique business need Consultant: Regulator co-ordination and advanced analytics
Systems Analyst	ICT architecture and systems configuration
Software Developer	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 Adjuster	Claims adjuster experience; liability; investigating; communication skills; customer service; written communication; claim handling; and estimating
Sales and Marketing Manager	Marketing and sales
Insurance Claims Administrator	Claims management and administration Assessment

Sectoral Priority Occupations (OFO)	Skills Gaps
Developer Programmer	Write programmes in a variety of computer languages, viz. C++; Java update; debug programmes through testing and fixing errors; build and use computer-assisted software
Compliance Officer	Analytical skills and have an eye for detail; Quality management; Occupational, health, safety, and environmental management

Source: WSP/ATR data 2020/2021.

3.6. SUPPLY OF SKILLS

3.6.1. Nature and Extent of Skills Supply

Chapter 1 provided a detailed overview of employment within the insurance sector from an occupational and educational perspective. The WSP 2021/22 data indicates that the sector is relatively skills-intensive and that educational attainment amongst workers in the sector is relatively high. Roughly 95 percent of workers in the sector are employed in the first four major occupational categories (managers, professionals, technicians and associate professionals, and clerks), while around 95 percent have at least an NQF Level 4 qualification. This makes the sector quite different from other parts of the South African economy and leaves it relatively exposed to skills shortages in general.

From this perspective, the supply of skills to the sector is primarily related to the secondary and post-secondary education systems. In the context of the insurance sector, the main groups of providers of education and training at entry level are the formal school system, public and private TVET institutions, and professional bodies such as the Institute of Certified Bookkeepers (ICB), the Association for Accounting Technicians (AAT) and the International Business Machines Corporation (IBM) in collaboration with employers.

3.6.1.1. Senior Certificate

A limited number of matriculants enter the insurance sector directly from school, since the sector requires tertiary qualifications for occupations above clerical level. Grade 12 subjects such as mathematics, accounting, physical science, economics, and business economics are preferred to secure first-time employment in the sector.

Table 13 summarises Grade 12 enrolments and completions for the period 2016-2021. Three-quarters (76 percent) of the 704 000 learners who wrote the examinations in 2021 achieved the National Senior Certificate (NSC). Just over one-fifth (21 percent) achieved 40 percent or higher in mathematics, while just 11 percent passed accounting with at least 40 percent.

There is a clear need to improve the performance of learners in mathematics and accounting, given the importance of these learning areas in obtaining entry level positions in the insurance sector, as well as for pursuing bachelor's degree qualifications in the insurance sector. The data shows that learners' performances in these two learning areas have generally not improved over the five-year period, either in absolute numbers of achievements or as a proportion of the cohort who wrote the examinations. The number of learners achieving mathematics in 2021 did, however, jump markedly in both absolute and relative terms and it will be important to see whether this improvement continues in 2022. For school-leavers who achieved accounting, there were relatively large jumps in 2019 and 2021, in both absolute

terms and relative to the number who wrote Grade 12. Here too, it remains to be seen whether the improvements in 2021 will be carried forward in the 2022 results.

Table 13. National Senior Certificate Examination Outcomes, 2016-2021

Learners who...	2016		2017		2018		2019		2020		2021	
	'000s	%	'000s	%	'000s	%	'000s	%	'000s	%	'000s	%
Wrote Grade 12	610	100	534	100	513	100	504	100	578	100	704	100
Achieved Grade 12	443	73	401	75	401	78	410	81	441	76	537	76
Wrote Mathematics	266	44	245	46	234	46	222	44	233	40	259	37
Achieved Mathematics	89	15	86	16	87	17	78	15	83	14	149	21
Wrote Accounting	129	21	103	19	90	18	80	16	93	16	105	15
Achieved Accounting	58	9	44	8	44	9	63	12	49	8	79	11

Source: Derived from DBE (2021).

Note: Achievements for mathematics and accounting refer to those who achieved 40 percent or more in those learning areas.

3.6.1.2. Technical and Vocational Education and Training (TVET)

The main programmes offered at TVET colleges in South Africa are National Certificate (Vocational) (NC(V)) and the National Accredited Technical Education Diploma (NATED, N1–N6). The majority of TVET colleges offer NC(V) programmes in accounting, economics and finance. The NC(V) creates an alternative to an academic Grade 10 to 12 for learners by providing them with specialised training on NQF levels 2 through 4. NC(V) is a three-year course made up of three certificates obtained on NQF levels 2, 3 and 4, and consist of a vocational and fundamental component. The fundamental section focuses on language and mathematical skills. The vocational section for the NC(V) in finance, economics and accounting includes Applied Accounting, Economic Environment, Financial Management, and New Venture Creation.

Most TVET colleges also offer NATED programmes at NQF levels 4 through 6 in financial management, business management, or both. On successful completion of the programmes, graduates obtain either a national certificate or a national diploma. Enrolment figures for both NC(V) programmes and Report 191 N6 programmes are presented in Table 14. Data from the latest *Statistics for Post-School Education & Training Report* (DHET, 2022) show that the number of learners registered, the number who wrote, and the number who completed Report 191 N6 programmes declined significantly. Even with NC(V) programmes, the numbers who registered, wrote and completed were either stagnant or declined from 2019 to 2020. The numbers of NC(V) graduates in IT and computer science, management, and marketing were relatively low for 2018-2020 since these graduates can apply for employment in any sector. Graduate completions for Report 191 N6 programmes were comparatively better for 2018-2019 since many of these graduates are already in employment. However, for the Report 191 N6 Programmes in Business Management, Financial Management, and Marketing Management, the numbers of learners who completed in 2020 were lower than in 2018 and 2019.

Table 14. Enrolment in TVET colleges, 2018-2020

	Year	Number registered	Number wrote	Number completed	Completion rate (%)
NC(V) Level Programmes					
L4: Finance Economics and Accounting	2018	1 501	1 386	702	50.6
	2019	1 797	1 589	762	48.0
	2020	1 787	1 504	770	51.2
L4: Information Technology and Computer Science	2018	1 158	1 035	415	40.1
	2019	1 074	930	301	32.4
	2020	1 053	879	353	40.2
L4: Management	2018	883	791	521	65.9
	2019	1 128	977	623	63.8
	2020	1 158	941	701	74.5
L4: Marketing	2018	1 185	1 053	408	38.7
	2019	1 380	1 176	454	38.6
	2020	1 264	1 074	529	49.3
L4: Office Administration	2018	6 135	5 506	3 334	60.6
	2019	6 372	5 499	3 170	57.6
	2020	6 514	5 485	3 741	68.2
Report 191 N6 Programmes					
N6: Business Management	2018	9 993	9 502	8 232	86.6
	2019	12 249	11 950	11 535	96.5
	2020	5 857	5 590	5 334	95.4
N6: Financial Management	2018	8 767	8 512	7 978	93.7
	2019	9 998	9 791	9 573	97.8
	2020	5 221	5 052	4 909	97.2
N6: Marketing Management	2018	4 398	4 075	3 384	83.0
	2019	5 822	5 633	5 252	93.2
	2020	2 817	2 649	2 482	93.7

Source: Based on DHET (2021 & DHET 2022).

3.6.1.3. Higher Education

As a relatively skills-intensive sector, the supply of skills produced by the higher education sector is of critical importance to the insurance sector. Table 15 provides the annual number of enrolments in and of graduates from public higher education institutions by main field of study.

Enrolments in Science, Engineering and Technology (SET) qualifications increased by more than four percent between 2017 and 2019, before dropping by one percent in 2020 to just under 320 000. For Business Management qualifications, enrolment was typically around 280 000 in each year, with 2019 being roughly five percent lower at just under 266 000. However, no clear trend is observed in Business Management enrolments. In contrast, enrolments within Other Humanities qualifications increased annually over the 2017-2020 period, rising 16.7 percent from around 253 000 to 295 000. Enrolments in Education were substantially higher in 2018 and 2019 than they had been in 2017 (approximately eight to ten percent higher), but by 2020 they had fallen back to just two percent above the 2017 level.

Overall, therefore, enrolments increased by 5.6 percent between 2017 and 2020, with most of the increase occurring between 2017 and 2018.

Table 15. Enrolments in and Graduations from Public Higher Institutions, 2017-2020

Year	SET	Business and Management	Other Humanities	Education	TOTAL
Enrolments					
2017	310 115	278 930	252 826	195 113	1 036 984
2018	320 671	283 194	267 553	214 151	1 085 569
2019	323 105	265 973	274 377	211 274	1 074 729
2020	319 902	280 489	294 986	199 432	1 094 809
Graduates					
2017	61 581	57 772	47 144	44 434	210 931
2018	65 211	60 459	50 868	50 651	227 189
2019	64 636	58 668	51 096	47 492	221 892
2020	64 721	65 336	60 547	47 271	237 875

Source: Based on DHET (2021 & 2022).

There has historically been a steady flow of graduates from higher education institutions and, although this implies a steady source of new graduates for the insurance sector, it should be noted that higher education graduates represent only a small proportion of new labour market entrants each year. Raising the numbers of graduates is a key challenge for the broader South African education system, requiring interventions across the full education system from early childhood development through to higher education. There has been a steady increase in the total number of graduates from public higher education institutions between 2017 and 2020, apart from 2019. By 2020, the total annual number graduates from these institutions had increased by 12.8 percent. While Other Humanities was the only field where graduates increased in every year between 2017 and 2020, all fields saw an increase in the annual number of graduates over the period. Increases were, however, slowest in SET and Education qualifications, and fastest in Other Humanities, which is not necessarily aligned to the pattern of skills demand in the insurance sector, or the economy more broadly.

3.6.2. Support Youth to Enter and Complete Learning Programmes

INSETA set a target of 3 600 youth to enter learning programmes and 2 485 to complete learning programmes. The entry target was exceeded by 481 and the completion target by 329 (13.2 percent).

Table 16: Support Youth to Enter and Complete Learning Programmes, 2019/2020

Performance Indicator	Planned Target 2019/2020	Actual Achievement 2019/2020
Support Youth to Enter Learning Programmes		
Youth entering university or TVET through bursaries to obtain scarce and critical qualifications	900	1 335
Youth entering skills programmes in industry-required skills	1 300	1 328
Youth entering learnerships	1 300	1 318

Performance Indicator	Planned Target 2019/2020	Actual Achievement 2019/2020
Rural youth entering in learnerships	100	100
TOTAL	3 600	4 081
Support Youth to Complete Learning Programmes		
Youth completing bursary studies in scarce and critical skill qualifications	710	780
Youth completing skills programmes in industry required skills	850	1039
Youth completing learnerships	855	923
Rural youth completing learnerships	70	72
TOTAL	2 485	2 814

Source: INSETA Database 2020b.

3.6.3. Support Youth to Achieve Full or Part Qualifications

INSETA set a target of 1 740 youth to achieve part or full qualifications. The target was exceeded by 604, or 34.7 percent.

Table 17. Support Youth to Achieve Full or Part Qualifications, 2019/20

Performance Indicator	Planned Target 2019/2020	Actual Achievement 2019/2020
Support Youth to Achieve Full or Part Qualifications on Learning Programmes		
Youth receiving full or part qualifications through bursaries	490	642
Youth receiving full or part qualifications through skills programmes	598	731
Youth receiving full or part qualifications through learnerships	597	899
Rural youth receiving full or part qualifications through learnerships	55	72
TOTAL	1 740	2 344

Source: INSETA Database 2020b.

3.6.4. Support Internships

INSETA set a target of 2 195 youth to achieve part or full qualifications. The target was missed by 90, or 4.1 percent.

Table 18. Support Internships, 2019/20

Performance Indicator	Planned Target 2019/2020	Actual Achievement 2019/2020
Support Youth with Workplace-Based Experience through Internships		
Youth entering internship programmes	1 200	1 039
Youth completing internship programmes	590	614
Youth accepted into employment after completion of internship programmes	405	452
TOTAL	2 195	2 105

Source: INSETA Database 2020b.

3.6.5. Skills for the Economy for the Insurance Sector – Employed and Unemployed

INSETA is doing sterling work in the provision of service offerings across the top 10 occupations both for the employed and unemployed for the 2021 and 2022 financial years. The number of learners, the actual amount of funding provided by our SETA and the type of learning intervention used are indicated in Table 19. What is apparent is that the rand spend and the numbers of learners funded across the ten sectoral priority occupations, for both employed and unemployed learners, differs dramatically.

Table 19. INSETA Funding for the Employed and the Unemployed

Occupation		Intervention	Employed		Unemployed	
			Number	Spent (R mil)	Number	Spent (R mil)
1	Insurance Agent	Learnerships	215	4.300	250	17.548
		Bursaries	40	1.200	-	-
		Skills programmes	952	7.140	820	5.475
		Work-integrated learning	-	-	903	66.067
2	Actuary	Bursaries	4	0.120	-	-
3	Software Developer	Learnerships	34	0.680	92	5.998
		Bursaries	10	0.300	-	-
4	Sales and Marketing Manager	Learnerships	168	3.360	19	1.239
		Bursaries	18	0.540	28	1.700
5	Insurance Broker	Learnerships	310	11.596	200	13.040
		Bursaries	49	1.980	-	-
		Cooperatives training	360	20.649	-	-
		Entrepreneurship support	97	20.149	-	-
6	Insurance Loss Adjuster	Learnerships	197	3.940	428	27.906
		Bursaries	3	0.090	-	-
7	Financial Investment Advisor	Learnerships	397	7.940	196	12.779
		Bursaries	5	0.150	56	5.320
8	Compliance Officer	Bursaries	4	0.120	-	-

Occupation		Intervention	Employed		Unemployed	
			Number	Spent (R mil)	Number	Spent (R mil)
9	ICT Systems Analyst	Bursaries	101	0.709	13	1.235
10	Insurance Claims Administrator	Learnerships	34	0.680	57	3.716
		Bursaries	19	0.570	-	-
		Skills programmes	100	0.784	-	-
	TOTAL		3 117	86.998	3 062	162.024

3.6.6. Worker Support

In terms of support for workers to enter learning programmes (Table 20), there was a shortfall of 412 learners. For candidacy support, the shortfall was 241 learners and to achieve part or full qualifications the target was exceeded by 268.

Table 20. Support workers, 2019/20

Performance Indicator	Planned Target 2019/2020	Actual Achievement 2019/2020
Support Workers to Enter Learning Programmes		
Workers entering university or TVET through bursaries towards scarce and critical qualifications	1 150	1 275
Workers entering skills programmes in scarce and critical skills	2 950	2 408
Workers entering learnerships	1 150	1 155
TOTAL	5 250	4 838
Support Professionalism of Sector Workers through Candidacy		
Workers entering candidacy programmes	100	100
Workers completing university or TVET through bursaries towards scarce and critical qualifications	940	1 005
Workers completing skills programmes in scarce and critical skills	1 700	1 375
Workers completing learnerships	795	814
TOTAL	3 535	3 294
Support Workers to Achieve Full or Part Qualifications		
Workers receiving full or part qualifications through bursaries towards scarce and critical qualifications	500	965
Workers receiving full or part qualifications through skills programmes	1 230	1 003
Workers receiving full or part qualifications through learnerships	520	550
TOTAL	2 250	2 518

Source: INSETA Database 2020b.

3.7. SECTORAL PRIORITY OCCUPATIONS

Sectoral priority occupations previously referred to as PIVOTAL occupations, are essentially

high priority occupations in the sector. INSETA's Sectoral Priority Occupations list (2022) was derived from a combination of sources, including:

- An analysis of 1 098 WSP/ATRs for 2021/22;
- 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* (DNA Economics, 2020);
- Interviews with industry experts in the insurance sector (2019); and
- Consultation with the INSETA Research and Learning Programmes Steering Committee, which consists of insurance sector human resource development experts.

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

A count per occupation informs the quantities for all occupations. The top 10 occupations were then ranked according to this count. Quantities to be supported by INSETA were obtained from the Annual Performance Plan. The list is ranked by priority. An exhaustive list of every PIVOTAL occupation was constructed together with the numeric count and percentage of the total. From this, the top 10 Sectoral Priority Occupations were identified.

Suggested interventions are based on a composite profile of critical skills for the insurance sector (2015-2019) using multiple research methodologies. This 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. 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.

The SSP first draft was presented to the Board for feedback and approval. The SSP evaluation report was submitted to the Board to inform them of the outcome. Final changes were made and a final SSP was submitted to the Board for approval.

3.8. SECTORAL PRIORITY OCCUPATIONS LIST (2022)

The top 10 sectoral priority occupations are (1) insurance agent; (2) actuary; (3) insurance broker; (4) software developer; (5) insurance claims administrator; (6) developer programmer; (7) compliance officer; (8) insurance loss adjuster; (9) sales manager; and (10) commercial sales representative.

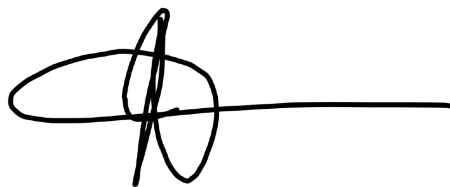
Table 21. Top 10 Sectoral Priority Occupations for 2023-2024

PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	THE INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED Y/N	QUANTITY NEEDED	QUANTITY SUPPORTED BY THE SETA
2023-2024	2021-332101	1. Insurance Agent	Insurance Client Services Agent Commercial Underwriter	Training on commercial and personal lines insurance as well as technical and medical underwriting. Focus on Fit and Proper Requirements to conduct effective insurance sales	4	Y	61	200
2023-2024	2021-212101	2. Actuary	Actuary Manager Average Adjuster	Training of actuaries to undertake Moses testing, VBA & C++ programming and risk calculations. Training of qualified actuaries to obtain long-term business experience.	7	Y	54	70
2023-2024	2021-332102	3. Insurance Broker	Short Term Insurance Consultant	Advanced training in new aspects of the three major categories of insurance, viz. short and long term, and collective investments. Training in new facets of insurance and risk coverage and premium calculation.	5	Y	32	80
2023-2024	2021-251201	4. Software Developer	Software Architect Software Designer	Training in designing and developing computer software systems. Also, on evaluating the requirements for these systems.	7	Y	26	80

PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	THE INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED Y/N	QUANTITY NEEDED	QUANTITY SUPPORTED BY THE SETA
2023-2024	2021-431204	5. Insurance Claims Administrator		Advanced training programmes on liability and audit insurance settlements. Acquiring further knowledge in the areas of statistical or actuarial data, bonds, and shares.	5	Y	23	80
2023-2024	2021-251203	6. Developer Programmer	ICT Developer ICT Programmer	Training on maintenance of software systems. Advanced training on researching, designing and developing computer software systems. Training on existing software to correct errors. Adapting to new hardware. Updating interfaces and improving performance	6	Y	18	60
2023-2024	2021-242207	7. Compliance Officer	Financial Markets Compliance Officer Compliance Officer (Financial Sector)	Intermediate training in compliance services to comply with applicable regulatory requirements.	6	Y	16	50
2023-2024	2021-331503	8. Insurance Loss Adjuster	Accident Claims Officer Insurance Loss Assessor	Training candidates in credit management, analytical, and administrative skills.	4	Y	16	50
2023-	2021-	9. Sales	Sales Director	Training on planning and organising special sales and	6	Y	15	50

PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	THE INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED Y/N	QUANTITY NEEDED	QUANTITY SUPPORTED BY THE SETA
2024	122102	Manager	Sales Executive	marketing programmes. Training on leading and managing the activities of sales and marketing staff. Training on determining price lists, sales promotion budgets and sales methods.				
2022- 2023	2021- 332201	10. Commercial Sales Representative	After-sales Service Adviser Commercial Traveller	Training on quoting prices, recording orders and arranging deliveries. Training on obtaining knowledge of marketing conditions as well as competitors' services.	4	Y	14	50

Source: WSP/ATR data 2021/2022.



Chief Executive Officer: Ms Gugu Mkhize

Date: 1 August 2022



Chairman of the Board: Mr Sihle Ngubane

Date: 1 August 2022

3.9. CONCLUSION

The analysis of the hard-to-fill vacancies and the reasons for these vacancies, skills gaps, and the top 10 sectoral priority occupations all reflect the latest WSP/ATR data 2021/2022.

The mismatch between the occupations that employers demand and its supply was discussed in this chapter. Most of the sectoral priority occupations and skills gaps that are identified aligned with the skills change drivers in Chapter Two. Employers find it difficult to recruit specialists in priority occupations. This is a growing problem.

There is a consistent message for greater specialisation in programmes at tertiary institutions. Tailored content is needed to meet the changing needs of employers and the sector. There is also 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 to the classroom. Companies also require employees with a broad range of skills. Good education and technical skills form an essential foundation. The demand for specialist mathematical, quantitative and investment expertise exceeds supply.

A major development area for the insurance sector is data analytics. Companies have accumulated vast quantities of consumer data over time; the ability to identify trends and develop innovative solutions by analysing such data is increasingly becoming a vital competitive advantage. Mastery of IT knowledge domains is a necessity for companies to stay competitive in the face of fintech companies. Technology staff need to gain expertise. COVID-19 has increased the demand for top-up skills in ICT, using online platforms, working remotely and complying with health and safety protocols. From an occupation perspective, COVID-19 has increased the demand for ICT professionals in the sector.

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 to attract the next generation of insurance talent. Moreover, millennials already comprise more than 50 percent of the global workforce. Companies should start to look at talent differently.

On the supply side, graduate numbers for NC(V) Level 4 qualifications are relatively low for the years 2018-2020. The NATED programmes have higher completion rates for the same years. The insurance sector predominantly demands post-secondary qualifications and, as a result, the demand for TVET first-time job entrants is low. Patterns of enrolments and number of graduates in public higher education institutions generally do not reflect consistent increases between the years 2017-2020. Other Humanities is the only discipline that reflects consistent increases over these years. Subject fields that typically provide entrants to the insurance sector are Science, Engineering and Technology; Business and Management; Other Humanities; and Education.

The process of devising a Top 10 Sectoral Priority Occupations List 2020 is a culmination of extensive primary and secondary research. Several methods such as interviews, surveys, WSP-ATR analysis, group discussions and literature reviews were employed to ensure the triangulation of findings. The Board is satisfied that the list is reflective of the priorities in the sector.

CHAPTER 4: SECTOR PARTNERSHIPS

4.1. INTRODUCTION

The chapter assesses the current and planned INSETA partnerships. INSETA has formed a variety of partnerships, with the major partnerships highlighted in this chapter. As can be seen from our existing partnerships in the tables below, INSETA has several diverse partnerships for TVET Colleges, related to learnerships, entrepreneurship, qualifications, leadership, work-integrated learning, and the creation of INSETA offices at TVET colleges. Other existing partnerships outside the TVET college sphere are the following: research partnerships with universities; professional associations and trade unions; career guidance and occupational learning programmes development.

4.2. ANALYSIS OF EXISTING PARTNERSHIPS

The existing partnerships are discussed under various categories ranging from partner organisations to plans to strengthen partnerships that are not working well under the existing partnerships template.

4.2.1. TVET Learnerships

Partner organisations	Umfolozi TVET College, Orbit TVET College, Tshwane South TVET College, Maluti TVET College
Nature of the partnership	Research and accreditation capacitation; Support with all relevant INSETA including; Career guidance and entrepreneurship.
Term and duration	Umfolozi TVET College (30 June 2021 – 31 March 2025) Orbit TVET College (31 August 2021 – 31 March 2025) Tshwane South TVET College (18 August 2021 – 31 March 2025) Maluti TVET College (30 June 2021 – 31 March 2025)
Objective of the partnership	<p>Partnering with the TVET college in identifying the priority research areas, including conducting research to support the TVET college, in line with the INSETA SSP priorities including new curriculum development.</p> <p>Funding of and support for capacity development initiatives at TVET college, including:</p> <ul style="list-style-type: none">▪ Assist with the accreditation process of the TVET college on insurance-specific legacy and occupational qualifications.▪ Assist the TVET college with registering short skills programmes. <p>Funding for re-skilling and/or upskilling of lecturers on insurance and related sector programmes.</p> <p>Facilitation and regular sharing of information on matters of mutual benefit relevant to the Parties and possible rolling-out activities including:</p> <ul style="list-style-type: none">▪ Pilot implementation of new learning programmes.▪ Funding of bursaries, internships, WIL, skills programmes.

	<ul style="list-style-type: none"> ▪ Fund the training of TVET college career guidance practitioners. ▪ Collaborate with the TVET college to host career guidance events at TVET college, TVETs and local schools. ▪ Facilitating links with other institutions of Higher Education and Training, as well as linking TVET colleges to industry partners. ▪ Facilitating entrepreneurship training and development for TVET Learners and unemployed youth in the locality. <p>Encourage the maximum usage of shared resources:</p> <ul style="list-style-type: none"> ▪ sponsored/shared infrastructure i.e. classrooms for training interventions managed by INSETA. ▪ sponsored/shared communication platforms and IT connectivity.
Value-add that these partnerships are providing to INSETA.	The partnerships have benefited INSETA in terms of better communication with the TVET colleges, while collaboration on projects is positively enhanced. Industry linkages are better facilitated.
Partnerships that are working successfully for INSETA, and the reasons for this.	All signed partnerships are working successfully for INSETA, as they have facilitated better submission of compliance documents and resolution of queries. The communication also allows for better reaction by INSETA to changes in the project or issues that are raised in the life span of the project.
Partnerships that are not working successfully for INSETA, and the reasons for this.	N/A
Types of gaps that the partnerships are addressing.	Industry linkages; Communication; Timely and accurate submission of compliance documents.
Plans to strengthen partnerships that are not working well.	N/A

4.2.2. University of Pretoria (E-Enterprises)

Partner organisations	University of Pretoria (E-Enterprises)
Nature of the partnership	Career guidance and short skills programme facilitation
Term and duration	01 December 2021 – 31 July 2022
Objective of the partnership	UP facilitation one-day programme for career guidance to assist them with the facilitation of career guidance in TVET colleges. Facilitation of short skills programme over a 10-day period to introduce TVET college lecturers to the insurance sector.

Value-add that these partnerships are providing to INSETA.	Partnering with universities to facilitate various programmes remains one of INSETA's mandates. Linking TVET colleges with universities to allow for integration between these institutions where INSETA is the partnership initiator, e.g. where universities initiate research initiatives and cyber education with TVET colleges.
Partnerships that are working successfully for INSETA, and the reasons for this.	The partnership worked successfully for INSETA because University of Pretoria brought insight from a university perspective to assist career guidance practitioners in their facilitation of career guidance in TVET colleges and provided tools that can be utilised daily for the beneficiaries. Participating lecturers have access to many learners, allowing them to encourage learners to consider a career in insurance.
Partnerships that are not working successfully for INSETA, and the reasons for this.	N/A
Types of gaps that the partnerships are addressing.	Career guidance facilitation; Insurance sector advocacy; INSETA qualifications advocacy; Industry linkages; University-TVET college qualifications integration
Plans to strengthen partnerships that are not working well.	N/A

4.2.3. Career Guidance

Partner organisations	Yalina and Level Up Foundation
Nature of the partnership	Innovative Career Guidance
Term and duration	Level Up Foundation (24 March 2022 – 31 July 2023) Yalina (22 March 2022 – 31 July 2023)
Objective of the partnership	Provision of innovative career guidance activations: <ul style="list-style-type: none"> Yalina - To provide an opportunity to unemployed youth for career guidance capacitation across all nine provinces through the use of cinema screenings, the creation of a WhatsApp portal, printed career guide and a digital careers portal. Level Up - To provide an opportunity to 650 unemployed youth for career guidance capacitation (Eastern Cape, Western Cape, KwaZulu Natal and the Free State) by hosting face-to-face roadshows for each region culminating in a main "Meet the Mentor Digital National Event". The beneficiaries of the initiative will be loaded on the LevelsApp for assistance in applying to institutions of Higher Education and Training.
Value-add that	INSETA will be visible in all provinces for career guidance to

these partnerships are providing to INSETA.	unemployed learners and will be seen as a frontrunner in innovation for career guidance. A database will be built for learners that can be assisted with other INSETA interventions e.g. ISSF.
Partnerships that are working successfully for INSETA, and the reasons for this.	The partnerships are working successfully as, through them, there has already been interaction with schools in various areas (in large rural areas) which assists with advocacy of INSETA programmes and funding opportunities and the promotion of the insurance sector as a whole.
Partnerships that are not working successfully for INSETA, and the reasons for this.	N/A
Types of gaps that the partnerships are addressing.	Assisting learners apply HEI opportunities; Career guidance; Career pathing; Motivation to learners
Plans to strengthen partnerships that are not working well.	N/A

4.2.4. Entrepreneurship Training at the TVET Level

Partner organisations	Technology Innovation Agency
Nature of the partnership	Innovative Entrepreneurship Programme
Term and duration	07 August 2020 – 06 November 2022
Objective of the partnership	Entrepreneurship project for 10 employees at risk and 10 unemployed learners to create innovative solutions within the sector.
Value-add that these partnerships are providing to INSETA.	Entrepreneurship advocacy, facilitating entrepreneurship skills and assisting beneficiaries to start a business.
Partnerships that are working successfully for INSETA, and the reasons for this.	The partnership has yielded positive results. Beneficiaries have gone through the initial phase of creating innovative solutions, they have completed the licensing of the various projects, and they are now developing a prototype. The project is all-encompassing in that it is able to develop the beneficiaries holistically to run sustainable and scalable businesses.
Partnerships that are not working successfully for INSETA, and the reasons for this.	N/A
Types of gaps that the partnerships	Entrepreneurship advocacy; Creation of insurance innovative solutions; Industry linkages

are addressing.	
Plans to strengthen partnerships that are not working well.	N/A

4.3. PLANNED PARTNERSHIPS

INSETA is planning a partnership with the FIA, where the primary purpose is to develop a skills strategy to support a skills mandate. This partnership is under review and is in the process of being finalised. INSETA is also busy concluding memoranda of understanding (MoU) with TVET Colleges in Limpopo, the North West, Free State and Eastern Cape, as well as with community education colleges (CET), in the North-West and the Western Cape. The focus of the MoUs with CETs is on lecturer training.

A draft MoU with the FPI, with a focus on a review of lecturer material for financial advisor qualifications, is in the process of being finalised. INSETA is also developing a partnership with the CISA focusing on the replacement of the FAIS Act by the COFI Bill. Finally, INSETA is also busy concluding a partnership with the Federation of Unions of South Africa (Fedusa), with an emphasis on the impacts of climate change on the insurance sector.

4.4. A MODEL OF A SUCCESSFUL PARTNERSHIP

INSETA has developed a prototype for research partnerships with universities and has appointed three research chairs at the University of the Witwatersrand (Wits), the IT Innovation Hub at the Durban University of Technology (DUT), and the Development Policy Research Unit (DPRU) at the University of Cape Town (UCT).

The main activities include: bursaries for honours, masters 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; and networking for academia and the industry. These partnerships enable the insurance sector to tap into research networks at universities; provide funds for universities to do cutting edge research in the sector; support INSETA's research agenda and SSP; and bring academia closer to the world of work.

The role that INSETA is playing with the aid of this model is to support the skills developmental agenda of the insurance sector with selected universities. This successful partnership model also ensures that through communication, negotiation and MoUs between INSETA and the participating universities that the universities are offering programmes that are relevant to the needs of the insurance sector.

4.5. CONCLUSION

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

CHAPTER 5: SETA MONITORING AND EVALUATION

5.1. INTRODUCTION

This chapter focuses on monitoring and evaluation (M&E) at INSETA, outlining M&E background, purpose and the legislative and policy framework underpinning M&E. This chapter also looks at strategic priorities that were incorporated into the INSETA Strategic Plan, including looking at performance of INSETA against the set targets and outlining an action plan for targets not achieved.

5.3 PURPOSE AND OBJECTIVES OF MONITORING AND EVALUATION

INSETA has identified the strategic focus areas as listed in the Strategic Plan. The purpose of M&E is to assess impact made and improve future offering against these focus areas. M&E ensures INSETA's compliance with its performance objectives, determines impact of implemented learning programmes, and assesses the quality of INSETA's service delivery against the outcomes of its Strategic and Annual Performance Plans. INSETA's objectives in conducting Monitoring and Evaluation are:

- Monitor compliance with the INSETA policies and procedures.
- Monitor alignment of core activities with the Strategic Plan.
- Monitor the suitability of workplaces where the learners are hosted and their compliance with safety-related legislation.
- Confirm existence of learners applied for as beneficiaries of Discretionary Grants.
- Monitor attendance of learners at learning sites.
- Monitor that the allocated funding is used for the purpose for which it was allocated.
- Monitor the payment of the prescribed stipends to learners in line with INSETA's Discretionary Grant (DG) procedure.
- Monitor employer compliance to the requirements of learning programmes in regard to the mentoring of learners in workplace-based learning programmes.

In addition, the monitoring of INSETA-accredited Skills Development Providers is conducted by the Quality Assurance division. The purpose of this angle of monitoring is to ensure that quality learning is presented to the learners.

5.4 APPROACH TO MONITORING AND EVALUATION

INSETA has a structured M&E Unit that currently reports to the COO. However, in order to ensure segregation of duties between core activities and M&E activities, the new organisational structure will require that the M&E Unit reports to the Risk Executive.

During the COVID-19 restrictions, the INSETA M&E Unit conducted desk-based monitoring of the learning programmes. Currently, monitoring of learning programmes is done by the M&E team though physical site visits at the businesses that are hosting the learners.

INSETA's Monitoring and Evaluation progression is as follows:

- Relevant Research that culminates into the Sector Skills Plan (SSP).

- Development or review of Strategic, Annual Performance and Annual Operational Plans that are aligned to the SSP.
- Development and approval of Monitoring and Evaluation Policy and Procedure.
- Development and implementation of programmes/projects that are in line with identified strategic focus areas.
- Monitoring and evaluation of all the above, including the use of approved funding allocated.
- Monitoring of performance against targets set in the SP and APP.
- Reporting on Monitoring and Evaluation and making recommendations for improvement of processes and updating of policies and procedures.

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

5.5 USE OF MONITORING AND EVALUATION DATA

INSETA uses the recommendations obtained from M&E to improve the effectiveness and efficiency of its learning programmes and their implementation. These recommendations are applied in a strategic and practical manner to:

- Monitor progress of individual projects and evaluate collectively projects that support set targets and the overall INSETA's strategy. This is done to assess the relevance and effectiveness of projects implemented by INSETA and guide direction of future strategy;
- Review and evaluate all evidence-based communications, reports and data that are produced during M&E activities and engage with stakeholders for efficient use of available information;
- Ensure that the M&E of the INSETA Strategy is adequately supported and financed; and
- Foster a culture of M&E among internal and external parties by outlining the importance of M&E, positioning it as an important tool to gauge performance and to guide future skills development interventions.

Reports of impact and tracer studies conducted after conclusion of learning programmes are used to assess the performance of learners, employers, accredited skills development providers, including the effectiveness of learning programmes. In addition, evaluation assists INSETA to make strategic decisions regarding:

- Increasing the number of new youth entrants into the insurance sector, thereby ensuring return on investment for INSETA and the insurance sector;
- Promoting INSETA's engagements with the insurance sector to establish new methods of addressing skills development needs and new skills that resulted from the identified key change drivers;

- Expanding INSETA's reach to supporting a greater range of learners, especially in rural areas;
- Crafting learning programmes and programme delivery modes that will appropriately support various stakeholder groupings, such as SMEs;
- Promoting increased focus for online learning and related policies;
- Developing strategy to improve organisational performance against APP targets; and
- Developing service standards to improve INSETA's service delivery to its stakeholders.

To strengthen the impact of leaning programmes planned for implementation, INSETA has established a Research and Learning Programmes Committee which comprises experts from various sub-sectors in the insurance sector. This committee has discussions, makes input into research reports and makes recommendations that guide INSETA on the structure and content of learning programmes. Impact and tracer studies are the main source documents used to support this committee in evaluating the effectiveness of learning programmes implemented by INSETA.

5.6 PLAN OF ACTION

One of the main challenges identified by INSETA towards obtaining clean audits pertains to a failure to achieve targets set against strategic priorities. INSETA will use M&E to address this challenge as follows:

- Determining root cause of failure to meet performance indicators in the previous financial year, e.g., insufficient budget, poor learner uptakes, slow DG approval process, or relevance of offered programmes to the needs of stakeholders.
- Developing plans to correct the root cause and set achievement milestones.
- Monthly monitoring of implementation and progress of proposed projects that report into the identified indicators.
- Monitoring reporting of performance against the indicators for completeness and correctness.
- Evaluating measures that were deployed towards meeting the targets.

5.7 CONCLUSION

INSETA believes there is a strategic link to M&E in supporting research and skills planning as the outcomes of M&E inform INSETA's decisions regarding what, where and how to improve the process and quality of learning programmes and/or projects on an ongoing basis, in order to meet stakeholders' expectations. The INSETA Board and its sub-committees meet regularly to go over reports presented by the Executive Management about the performance of the organisation in order to provide oversight and guidance to management for meeting strategic outcomes. This elevates M&E to a strategic level, reinforcing the culture of M&E, and elevates its importance if INSETA is to successfully meet its objectives and deliver on its mandate.

CHAPTER 6: STRATEGIC SKILLS PRIORITY ACTIONS

6.1. INTRODUCTION

This final chapter of the SSP has multiple purposes. First, it discusses the key findings related to skills from the preceding chapters and, drawing from this, also outlines the strategic skills priority actions. Secondly, it describes the measures to support the change drivers as identified in chapter 2. Thirdly, it outlines the measures planned to support SMMEs and entrepreneurship. Finally, the strategic measures planned to support the national strategies and plans are discussed. In addition, this chapter details the impact of the COVID-19 pandemic on skills development within the insurance sector.

6.2. FINDINGS FROM PREVIOUS CHAPTERS

Chapter 1: Sector Profile

While growth has rebounded from 2020, forecasts suggest relatively low growth in South Africa for the 2022-2024 period. Between 2019 and 2021, the insurance sector has increased its share of the economy. Despite the growth recovery in 2021, the labour market remains under pressure. The narrow unemployment rate is estimated at 35.3 percent in the first quarter of 2022, while there are 9.7 million youth NEETs.

The insurance sector is a relatively highly skilled sector, with almost all workers having at least a matric certificate. From an employment equity perspective, the insurance sector stands out for its high share of women in occupations across the skills distribution. However, Africans remain under-represented within the sector relative to other services sectors. This is particularly evident at higher occupational levels.

Chapter 2: Key Skills Change Drivers

The identified change drivers have major implications for skills development in the insurance sector, necessitating the reskilling of existing staff; the review of current qualifications; the development of new qualifications; and increased discretionary funding to skills development related to these skills drivers.

Strengthening human resources of public education institutions in rural areas to promote skills development and entrepreneurship and/or employment initiatives for youth are key. INSETA has identified several sectors to be supported in line with the ERRP, namely: the green economy skills development initiative; infrastructure (IT) in public TVETs; rural development in partnership with public TVETs; and youth employment in partnership with insurance employers and public TVETs.

Chapter 3: Occupational Shortages and Skills Gaps

The top hard-to-fill vacancies that were difficult to fill over a period of 12 months were Insurance Agent, Actuary, Insurance Broker, Software Developer, Insurance Claims Administrator, Developer Programmer, Compliance Officer, Insurance Loss Adjuster, Sales Manager, and Commercial Sales Representative. The reasons for hard-to-fill vacancies which had the highest frequency of occurrence were: applicants lack the appropriate work experience for the post; applicants lack the required educational qualifications for the post; and employment equity considerations. The relatively common skills gaps between managers and professionals are management and leadership, project management, legal governance and risk, planning and organising and communication (oral and written). The type of qualifications that provide entry-level supply of learners to the insurance sector are

the NSC, and NC(V) and NATED programmes from TVET colleges.

Chapter 4: SETA Partnerships

Current partnerships aim to increase training to unemployed learners in TVET programmes that are related to the insurance sector; enable rural communities to access skills development through learnerships; develop occupational qualifications; target unemployed youth for SMME development; and develop lecturer capacity in partnering with public TVET colleges. The university research partners will strengthen skills planning research outputs in the insurance sector.

Chapter 5: Monitoring and Evaluation

A key component of INSETA's approach to monitoring and evaluation is the monitoring of national skills development outcomes and indicators which are built into INSETA projects and evaluating the extent to which these outcomes and indicators are achieved. A recent tracer study commissioned by INSETA, in relation to its impact programmes for 2018-2021, made various recommendations ranging from promoting the insurance industry among youth to improving communication between INSETA and its stakeholders. INSETA has put in place a plan of action to deal with strategic priorities not achieved in the previous financial year and for identifying the reasons why this occurred. As a counter to this, and taking cognisance of previous errors, new measures have been devised to ensure that strategic priorities in the current financial year will be realised.

6.3. KEY STRATEGIC SKILLS PRIORITY ACTIONS

6.3.1. Strengthen INSETA's Research Capacity for Sector Skills Planning

INSETA is committed to strengthening its institutional labour market research capacity through university research partnerships with DUT, UCT and Wits. The research partnerships cover the areas of technology, skills planning, and insurance and risk management. The research partnerships will, amongst other things, increase research outputs in the insurance sector; develop young and emerging researchers, especially from previously disadvantaged communities; and respond to challenges facing the insurance sector through evidence-based research.

6.3.2. COVID-19 Training Response

The COVID-19 pandemic led to a national lockdown and a shutdown of insurance service providers. The financial pressures reduced the selling of insurance products and services. The industry has stated that the run on monthly policy payments by clients has increased due to uncertainty in the labour market. There are also higher withdrawals and cashing up of matured insurance policies. Firms have mentioned that they require training support in administering COVID-19 protocols for entry to the workplace; the use of remote working programmes such as Zoom and online short course training to address skills gaps.

Response: INSETA will offer a training programme to firms to prepare the opening of workplaces. The programme addresses preparing the building and workforce; deep cleaning; social distancing; ICT security measures; communication; recovery plans; screening and testing; and reporting. A course on data analytics will be offered online to employees. To mitigate the effects of COVID-19, firms can apply for discretionary grants for online training. INSETA will invest in retrenchment mitigation programmes to prevent the

wave of job losses in the sector and give employees a safety net through assistance to employers for relief schemes.

6.3.3. Top 10 Sectoral Priority Occupations

INSETA has identified the top 10 sectoral priority occupations as well as skills gaps through evidence-based research and the submission of WSP/ATRs. These occupations are Insurance Agent, Actuary, Insurance Broker, Software Developer, Insurance Claims Administrator, Developer Programmer, Compliance Officer, Insurance Loss Adjuster, Sales Manager and Commercial Sales Representative. These identified sectoral priority occupations are used to direct the focus of INSETA's training interventions, funding as well as the quantity of sectoral priority occupations to be supported.

6.3.4. Body of Knowledge

INSETA, in partnership with the University of the Witwatersrand, has developed two modules on the body of knowledge for the short-term insurance sector. The body of knowledge outlines foundational knowledge for any person working in short-term insurance. It sets an industry standard and should be used by training providers. This body of knowledge has been developed, and SAIA will convene a community of expert practice to assess the relevance of the module and provided feedback for enhancement. Non-life insurers will also be consulted on the approval of the modules. The modules will be freely disseminated to the sector and training providers, and existing modules will be upgraded.

6.3.5. Meeting Transformation Targets

INSETA is committed to ensure increased access to training and skills development opportunities. In terms of 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 to effectively participate in key positions in the sector. INSETA will also confront racial inequalities, with a particular focus on giving more opportunities to previously disadvantaged South Africans. The strongest intervention is required to address African youth unemployment. Finally, only one percent of workers in the insurance sector are persons living with disabilities, despite the target being four percent. INSETA aims to open up skills training opportunities for persons living with disabilities. All INSETA-funded projects should therefore prioritise: Blacks (85 percent), women (54 percent), and persons with disabilities (four percent).

6.3.6. Supporting Small Business, Rural Development and Cooperatives

Most insurance companies are small enterprises with fewer 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.

There is a need to pay more attention to rural economic development and provision of skills

for rural development, in line with government's priorities. The skills development system must increase its focus and attention to the production of skills for rural development. INSETA aims to promote the development of cooperatives, in particular burial societies, through skills programmes, bursaries, management and information sharing sessions.

6.3.7. Building Career Guidance

Employment opportunities for the youth abound in the insurance sector. Unfortunately, young people are not aware of these career opportunities. The sector is relatively unknown by teachers and lecturers. There is a need for career guidance. The youth should be informed of career pathways, learning programmes, and qualifications.

Response: INSETA should invest in supporting career and vocational guidance since this is a critical component in successful skills development systems. INSETA is currently engaged in training Career Guidance Officers.

6.3.8. 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, the National Youth Accord, and the Human Resource Development Strategy of South Africa (Department of Education, 2009).

Response: 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; reducing inequalities through meeting transformation targets.

6.3.9. Alignment to the Government's Economic Reconstruction and Recovery Plan (ERRP)

The ERRP is a strategic focus of INSETA. An examination is currently being carried out on how it can best be incorporated into the INSETA Annual Performance and Strategic Plan. The approach towards achieving National Skills Development Plan (2030) outcomes is operationally defined and the methods to achieve these outcomes are outlined below.

Response: INSETA's view is that there should be an involvement in those ERRP areas that would be of direct relevance to the insurance sector, viz. green economy, digital economy and global business services, and the Presidential Youth Employment Intervention. Interventions include: research; undertaking of various learning programmes by learners; bursary distribution; career guidance; ERRP rural programmes; support of TVET college system; and programmes to support trade union members. A range of activities have been recommended in support of ERRP ranging from access to targeted skills programmes to meeting demand list of critical occupations. Priorities for these interventions have been outlined in terms of occupations, relevant qualifications, enrolments, graduates and number of unemployed graduates. The Seta response to ERRP will be based on four key activities: access to targeted skills programmes to allow for immediate and short-term interventions; access to workplace experience including work integrated learning and internship programmes; funding of short-term programmes and qualifications in a sector which has been identified as a priority and, meeting demand in a list of critical occupations and skills. Interventions one through ten of the ERRP have been studied and relevant occupations have been short-listed for our ERRP strategy and project.

6.4. MEASURES IDENTIFIED TO SUPPORT THE CHANGE DRIVERS IDENTIFIED BY INSETA

Climate Change: Reskilling of our stakeholders' employees by funding training courses directly linked to climate change in the areas of liability, underwriting, marketing, risk management regulations, investment pricing and asset risks.

Covid 19 and Other Pandemics: This pandemic has led to less money being available for training and consequently led to the reprioritisation of training area allocations. As a Seta there has been a focus on training financial intermediaries to be able to sell products remotely as opposed to face-to-face.

Digital Transformation: There is a particular emphasis on funding of workers in technological programmes ranging from cyber-security to artificial intelligence. The need to meet the requirements for this change driver comes across strongly in the sectoral priority occupations related to technological transformation as identified by employers in the sector.

Economy and ERRP: INSETA has identified several measures linked to this change driver. Within the context of the green economy, the pursuit of green skills, green industrialisation, and a green future is central to INSETA and the insurance sector. There is further a need for upskilling and reskilling related to innovation in the delivery of infrastructure in public TVETs. Rural SMMEs require support to enhance business leadership and financial sustainability. Finally, there is a need for youth employment programmes in partnership with insurance employers and public TVETs.

Regulatory Environment: All INSETA employees were trained in relation to the POPIA Act, including the provisions of the Act itself and practice training associated with the Act. In terms of regulation, occupations in high demand linked to critical pieces of legislation need to be filled. Employees in insurance companies who fall within high demand occupations where legislation is paramount need to receive high level training on bills such as the Conduct of Financial Institutions (COFI). INSETA also uses its specialist forum as a mechanism to improve the stature of its internal policies in terms of the way in which these policies are expressed and laid out in their own policy documents.

Remote-Working: All INSETA staff were given 3G cards and 4G routers during the height of the Covid-19 crisis so that they could work effectively from home during the above period. INSETA is currently following a hybrid remote work model, allowing a combination of working at home (two days per week) and from the office (three days per week).

6.5. CONCLUSION

The SSP is robustly addressing the key outcomes of the NSDP (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; support for entrepreneurship and cooperative development; encouraging and support worker initiated training; supporting career development services. INSETA's response to Government's Economic Reconstruction and Recovery Plan has also been outlined in this chapter.

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