



Sector Skills Plan

INSETA Sector Skills Plan

2024-2025

FINAL

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FOREWORD

The INSETA Sector Skills Plan (SSP) 2024-2025 update is produced when the country is amid prolonged power outages, water stoppages, infrastructure destruction, increasing crime, social unrest, and truck burning on the main arterial routes. The electricity crisis damages the economy with business closures, retrenchments, low consumer demand, high food and transport costs, and low business confidence. It directly impacts insurers and clients. The crisis is testing the sector's resolve. Climate change leads to frequent floods, fires, droughts and cyclones, which also tests the sector. These developments are unfolding in a no-growth economic cycle.

Even with that, the insurance sector is forecasted to grow as there are untapped markets in South Africa. The sector is mature, financially deep and at the cutting-edge of technology developments. It is a driving force of the economy. Therefore, the industry must prepare a talent pipeline for the future.

The *National Development Plan (NDP) 2030, Economic Reconstruction and Development Plan (ERRP), Medium-Term Expenditure Framework (MTEF) for 2020-2024, Presidential Youth Employment Initiative, White Paper on Post-school Education and Training, Human Resource Development Strategy for South Africa* and the *National Skills Development Plan (NSDP) 2030* informs the SSP.

This SSP highlights the occupational shortages, skills gaps and the Top 10 sectoral priority occupations. Occupations in demand are prioritised for increasing the talent pool in the sector. INSETA delivers programmes addressing the skills needs of the Top 10 sectoral priority occupations, including employed and unemployed learners. Changes drivers indicate that digitalisation is the driving force reshaping the sector.

Strategic partnerships are the enablers for INSETA to achieve its objectives. The INSETA has a Research Chair with the Durban University of Technology and works with the University of Cape Town and the University of Witwatersrand.

The INSETA invests in labour market research, new occupational qualifications development, digital skills, strategic partnerships, learnerships, bursaries, internships and small business development.

Our Sector Skills Plan is an important initiative because it guides the Strategic Plan and Annual performance Plan.

Mr Sihle Ngubane
INSETA Board Chairperson
30 July 2023

EXECUTIVE SUMMARY

Chapter One provides an economic and labour market profile of the insurance sector, including its scope of coverage - life insurance, non-life insurance, and collective investments. Despite a rebound in growth during 2021 from the COVID-19 pandemic, the economy has yet to recover to pre-COVID-19 levels. Furthermore, given lower net exports due to logistical bottlenecks, the easing of commodity prices, and higher power-related imports, the current account deficit is projected to bulge from –0.4% of GDP in 2022 to –1.8% of GDP in 2023 and –2% in 2024. In a possible upside scenario where capital expenditure is "front-loaded" and where the resolution to the energy crisis is fast-tracked by creating a stable supply of electricity, growth over the medium term would still not average 2% per annum, as per National Treasury. This and soft commodity prices give further impetus to a "no growth" scenario for the South African economy in 2023.¹

The labour market remains under pressure. The official unemployment rate is 32,9% in the first quarter of 2023. Unemployment is per expanded definition is 42,4% in Q1:2023.

The South Africa insurance market was estimated at USD 50.57 billion in 2022. It is expected to be between 2023 and 2029, and the South African insurance market size is expected to grow at a significant Compound Annual Growth Rate (CAGR) of 10.52%, reaching a value of USD 101.42 billion by 2029.

Complexities, competition, new financial products, emerging regulations and technologies make skills development a key priority for driving the insurance sector. The workforce must constantly upgrade their knowledge and skills to adapt to industry changes. The insurance industry places a premium on technical or so-called "hard" skills when it searches for talent. But "soft" skills – communication, adaptability, problem-solving, and time management are also important.

The INSETA received 923 WSP/ATRs for 2023-2024 consisting of 724 small and 199 medium/large employers.

Chapter Two identifies five key skills change drivers in the sector: national policy, regulation, technology, climate change and national health insurance. 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 for the skills drivers.

- National policies are aimed at combating unemployment, inequality and poverty. 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, and 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).

¹ International Monetary Fund (IMF), "South Africa: Staff concluding statement of the 2023 Article IV Mission," March 22, 2023.

- 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).

Climate change is increasing the frequency and severity of natural disasters. It necessitates reskilling in liability, underwriting, marketing, risk management, investment, pricing, and asset risks. Regulatory changes require reskilling for employees.

Technology spawns new career opportunities and skills needs and is integrally linked to increasing demand for seamless, quick, and faceless consumer interactions.

The **regulatory environment** illustrates the need for acquiring new skills in the insurance sector, and regulatory changes have implications for skills development. While many of these regulatory changes are specific to the insurance sector, wider changes affect the sector.

Chapter Three identifies the Top 10 Sectoral Priority Occupations List for 2024/25. These are the following:

- Financial Investment Advisor
- Insurance Agent
- Insurance Broker
- Actuary
- Compliance Officer
- Software Developer
- Insurance Claims Administrator
- Insurance Loss Adjuster
- Sales and Marketing Manager
- ICT Systems Analyst

The high skills intensity of occupations in the insurance sector means that tertiary education is required for employment. The sector requires people with mathematics, accounting, financial management, ICT, and marketing.

New and future occupations are top-up skills that refer to what will be in future demand. The WSP/ATR is based on current demand and not geared to elicit information on future demand. Therefore, it is necessary to review the literature on future skills demand in the sector.²

The following emerging occupations are identified in the insurance sector:

- BI Analyst
- Risk Analyst
- AI Expert
- Data Scientist
- Data Analyst

² World Economic Forum (2023) Future of Jobs Report: May. WEF: Geneva.
Rasool, H (2020) SETA interview report on skills development. DHET: Pretoria.

- Cloud Architect
- Cybersecurity Specialist
- U-X Specialist
- Drone Pilot

The main skills gaps identified in the sector are the following:

Managers	Professionals
Management & Leadership	Planning and Organising
Project Management	Project Management
Supervisory	Problem-solving
Problem-solving	Technical (job specific)
Planning and Organising	Advanced IT and Software
Technicians & Associate Professionals	Clerical Support Workers
Planning and Organising	Customer service skills (60)
Advanced IT & software	Communication
Problem-solving	Teamworking
Customer service skills	Technical (job specific)
Technical (job specific)	Office administration

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; and partnering with public TVET Colleges to develop lecturer capacity.

INSETA's research chair is the Durban University of Technology (DUT). They support INSETA with insurance research. The universities research the gig economy, occupational change and job mobility, the impact of COVID-19 and 4IR on the workforce, occupational mapping of the top 10 sectoral priority occupations, and job quality in insurance firms. The INSETA Research and Learning Committee comprises the industry's human resource development experts who guide the research agenda.

Chapter Five addresses monitoring and evaluation issues. INSETA's M&E system complies with the National Treasury requirements.

Chapter Six outlines INSETA's key strategic skills and priority actions/The following are proposed:

- Strengthen INSETA's Research Capacity for Sector Skills Planning
- Top 10 Sectoral Priority Occupations
- Internships
- Body of Knowledge
- Meeting Transformation Targets
- Supporting Small Businesses, Rural Development and Co-operatives
- Building Career Guidance
- Support National Strategies and Plans
- Alignment to the Government's Economic Reconstruction and Recovery Plan

Ms Gugu Mkhize
Chief Executive Officer
30 July 2023

RESEARCH PROCESS AND METHODS

INSETA conducted research for its Sector Skills Plan (SSP) 2024-2025. The SSP is developed as per the *DHET Guidelines* for stakeholder participation. The WSP/ATR 2023-2024 submissions were used to identify priority occupations and skills gaps. The following research initiatives were implemented to update the SSP:

Table 1: Research conducted in preparing the INSETA SSP (2024/2025)

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Start/End Date
Skills supply, demand, and mismatches <i>In-house</i>	Literature review Interviews Focus groups	Identify skills demand, supply, and mismatches by occupation and skills gaps	Database analysis; Workshops; Questionnaire	All levy-paying employers that submitted WSP/ATRs.	INSETA database, including employers, employees, and learners. Desktop review of existing datasets	2020-2022
National Health Insurance <i>In-house</i>	Literature review Discussion Paper	Determine the impact of NHI on the insurance sector	Literature review	Medical schemes	NHI literature	2019-2021
Gig Economy <i>Durban University of Technology</i>	Qualitative/ Quantitative	Impact of the Gig Economy on the Insurance Sector and Regulatory Labour Framework	Literature review Focus groups Think-Tank	8 interviews 20 attendees to Think-Tank discussions	Various literature sources	2021-2022
Occupational Change <i>Durban University of Technology</i>	Qualitative/ Quantitative	Measuring Occupational Change in the Insurance sector-approaches, methods, and processes	Literature review; Survey; Delphi studies	30 industry experts, academics and INSETA managers	Various literature sources Value Chain Analysis	2021-2022
Labour market Analysis <i>University of Cape Town</i>	Qualitative/ Quantitative	Profile of the insurance sector in SA	Literature review Survey of employees	Employees are drawn from 20 Employers	Literature sources Employees	2021-2022

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Start/End Date
Tracer study <i>Urban Econ</i>	Qualitative/ Quantitative	Tracer Studies for learnerships, internships, and bursaries investigate whether these programmes achieve their missions and outcomes.	Survey	Learnerships – Sample: 327 (189 unemployed; 138 employed) Internships: Bursaries: 166	Survey	2019-2020
Body of knowledge <i>University of the Witwatersrand</i>	Qualitative	Develop a body of knowledge in two insurance volumes: <i>Volume 1: The legal system, legal principles and insurance products and</i> <i>Volume 2: State insurance funds and specialised insurance markets</i>	Professional Association Review Committee	22 committee members from insurance companies & professional associations	Consultations Literature review	2020-2021
Tracer/ Destination Study - <i>University of the Witwatersrand, Wits Real Centre, Singizi Consulting Africa</i>	Quantitative/ Qualitative	A tracer/destination study of INSETA learners who completed learnerships, internships, bursaries, and skills programmes between 2018-2021	Computer-Assisted Telephonic Interviewing (CATI)	575 respondents	INSETA databases for the included programmes from 2018-2021	2020-2021
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 to be achieved and the anticipated impact.	Theory of Change & associated Logic Model	Not applicable	INSETA Annual Performance Plan (APP) 5-year Strategic Plan (SP) and Service Level	2020-2021
Emerging skills of small emerging	Quantitative & Qualitative	Identify the emerging skills needs of small emerging	Surveys and interviews	74 respondents	INSETA Employer	2021-2022

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Start/End Date
businesses and co-operative financial institutions.		businesses and co-operative financial institutions				
Action plan for building cybersecurity culture through TVET Colleges in rural and urban areas. <i>Durban University of Technology</i>	Qualitative & Quantitative	The building of an action plan for cybersecurity culture in an urban and rural area from a youth perspective and effectively implementing this action plan.	Qualitative & Quantitative Questionnaire; Interviews; Focus Groups; Document Analysis	Two TVET colleges, one urban, one rural 200 respondents 35 interviews 2 focus groups: teachers & students	Desktop research. Data were obtained from questionnaires given to teachers and students at two TVET colleges.	Jan 2023 - May 2023
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, Associations, and Regulators	11 professional insurance associations interviewed	WSP 2020-2021 submissions Quarterly Labour Force Surveys; Quarterly Employment Statistics	2021-2022
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 & employees	WSP data	Survey of employers; Survey of employees; Desktop Research	Feb 2021- Aug 2022

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Start/End Date
Planned Research 2024-2025 <i>(The planned research has been advertised to public universities, but the service providers have not been selected yet)</i>						
Interventions to address the identified Skills Change Drivers	Mixed methods research	<ul style="list-style-type: none"> ▪ Identify priority skills needs from the change drivers ▪ Develop interventions to address these skills needs 	Interviews Focus groups	To be determined (TBD) with the selected service provider	TBD	2024-2025
Interventions in support of the Presidential Youth Employment Initiatives	Mixed methods research	<ul style="list-style-type: none"> ▪ Increase the number of insurance companies participating in the PYEI ▪ Identify insurance companies to participate in the PYEI 	Interviews Focus groups	To be determined (TBD) with the selected service provider	TBD	2024-2025
The implementation interventions to support ERRP Skills Strategy	Mixed methods research	<ul style="list-style-type: none"> ▪ Identify types of interventions for the INSETA to participate in the ERRP ▪ Increase the number of interventions in the ERRP 	Interviews Focus groups	To be determined (TBD) with the selected service provider	TBD	2024-2025

ACKNOWLEDGEMENTS

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

INSETA Team

INSETA Board and Board Chairperson – Sihle Ngubane

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INSETA Think Tank and Focus Group Stakeholders

Durban University of Technology

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Professor Hoosen Rasool – Associate Researcher

ACRONYMS

AAT	Association for Accounting Technicians
AET	Adult Education and Training
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
CET	Community Education Colleges
CISA	Compliance Institute Southern Africa
CPI	Consumer Price Index
DBE	Department of Basic Education
DG	Discretionary Grant
DHET	Department of Higher Education and Training
DUT	Durban University of Technology
DPRU	Development Policy Research Unit
ERRP	Economic Reconstruction and Recovery Plan
FAIS	Financial Advisory and Intermediary Services Act
FEDUSA	Federation of Unions of South Africa
FIA	Financial Intermediaries Association of Southern Africa
FPI	Financial Planning Institute
FSCA	Financial Sector Conduct Authority
GDP	Gross Domestic Product
GVA	Gross Value Added
GWh	Gigawatt hours
HRD	Human Resource Development
HTFV	Hard-To-Fill Vacancy
IBM	International Business Machines Corporation
ICB	Institute of Certified Bookkeepers
ICT	Information and Communication Technology
IISA	Insurance Institute of South Africa
ILASA	Institute of Loss Adjustors
INSETA	Insurance Sector Education and Training Authority
M&E	Monitoring and Evaluation
MoU	Memoranda of Understanding
MTEF	Medium-Term Expenditure Framework
NATED	National Accredited Technical Education Diploma
NC(V)	National Certificate (Vocational)
NDP	National Development Plan
NHI	National Health Insurance
NQF	National Qualifications Framework
NSC	National Senior Certificate
NSDP	National Skills Development Plan
NSDS	National Skills Development Strategy
OFO	Organising Framework for Occupations
PA	Prudential Authority
PFMA	Public Finance Management Act

PIVOTAL	Professional, Vocational, Technical and Academic Learning
PSET	Post-School Education and Training
RPL	Recognition of Prior Learning
SAFOBS	South African Funeral Business Services
SAIA	South African Insurance Association
SAPOA	South African Property Owners Association
SARB	South African Reserve Bank
SASRIA	South African Special Risks Insurance Association
SAUMA	South African Underwriting Managers Association
SET	Science, Engineering and Technology
SETA	Sector Education and Training Authority
SIC	Standard Industrial Classification
SMME	Small, Medium and Micro-Enterprises
SP	Strategic Priorities
SSP	Sector Skills Plan
Stats SA	Statistics South Africa
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
WEF	World Economic Forum
WIL	Work-integrated learning
Wits	University of Witwatersrand
WSP	Workplace Skills Plan
4IR	Fourth Industrial Revolution

CHAPTER ONE: SECTOR PROFILE

Chapter One provides an insurance sector profile. It examines the sector from an economic and labour market perspective to determine sector performance. Key skills change drivers and their skills development implications are discussed. It sets the scene for the succeeding chapters.

1.1 INTRODUCTION

The South African insurance sector is large, complex, internationally active, and competitive. Supported by the high penetration and density of insurance products, the insurance sector has grown to account for 18% of the financial sector in South Africa. The industry hosts diverse business models, including traditional participation-focused models, bank-led conglomerates, asset management-focused groups, and technology-driven new entrants. Even among large insurers, risk profiles vary significantly, which is unique relative to other major insurance markets. Most large insurance groups are expanding their business both regionally and globally.

Insurance penetration is among the highest in the world, mainly due to the popularity of life and investment-focused insurance products. In particular, life insurers actively sell and administrate pension funds, preservation funds, and retirement annuities, accounting for about 25% of the insurance's total assets. The South African life insurance industry is significantly larger than the non-life industry. As of the end of 2018, the asset base of life insurers reached South African Rand (ZAR) 3 trillion, while that of non-life insurers was around ZAR 136 billion. The industry is fairly concentrated, especially in the life insurance sector, with the top five insurance companies accounting for 72% of the non-life market.³

Complexities, competition, new financial products, emerging regulations and technologies make skills development a key priority for driving the insurance sector. The workforce must constantly upgrade their knowledge and skills to adapt to industry changes. The insurance industry places a premium on technical or so-called "hard" skills when it searches for talent. But "soft" skills – communication, adaptability, problem-solving, and time management are also important.

1.2 SCOPE OF COVERAGE

INSETA's scope of coverage consists of ten Standard Industrial Classification (SIC) subsectors at the five-digit level, all forming part of the financial intermediation, insurance, real estate, and business services industry.

³ IMF (2022) IMF Country Report No. 22/185. file:///C:/Users/Hoosen/Downloads/1ZAFE2022008.pdf
INSETA SSP 2024-2025

Table 2: INSETA subsectors

SIC Code	Subsector	Category
81901	Unit trusts	Collective investments
81902	Risk management	Various
82100	Insurance & pension funding, except 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

The ten subsectors are grouped into three major categories: life insurance covers life-changing events, such as death, retirement, and disability. Life, disability, dread disease, funeral, and credit life are the insurance products. Non-life insurance is all other insurance besides life insurance and includes vehicle, property, household, medical, personal liability, travel, and business insurance. Collective investments are public investments by investment portfolios.

1.3 KEY ROLE-PLAYERS

The key role players in the sector include:

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.	1-8
The Black Insurance Advisors Council (BIAC) provides the insurance industry with skilled, informed, fit, and proper financial services providers. BIAC works with other insurance industry and statutory organisations to address issues affecting the insurance industry.	1-8
The Board of Healthcare Funders (BHF) guides how the organisation fulfils its function as a representative body of the healthcare funding industry.	1-8
Burial Societies of South Africa (BUSOSA) supports burial societies to become sustainable and provides education and training for entry into the industry.	1-8
The Financial Intermediaries Association (FIA) is a trade association for intermediaries in all insurance subsectors. The FIA gives a voice to its members by promoting, developing, education, supporting, and protecting their rights.	1-8
The South African Federation of Burial Societies (SAFOBS) oversees the coordination, training and education of burial societies and their staff.	1-8

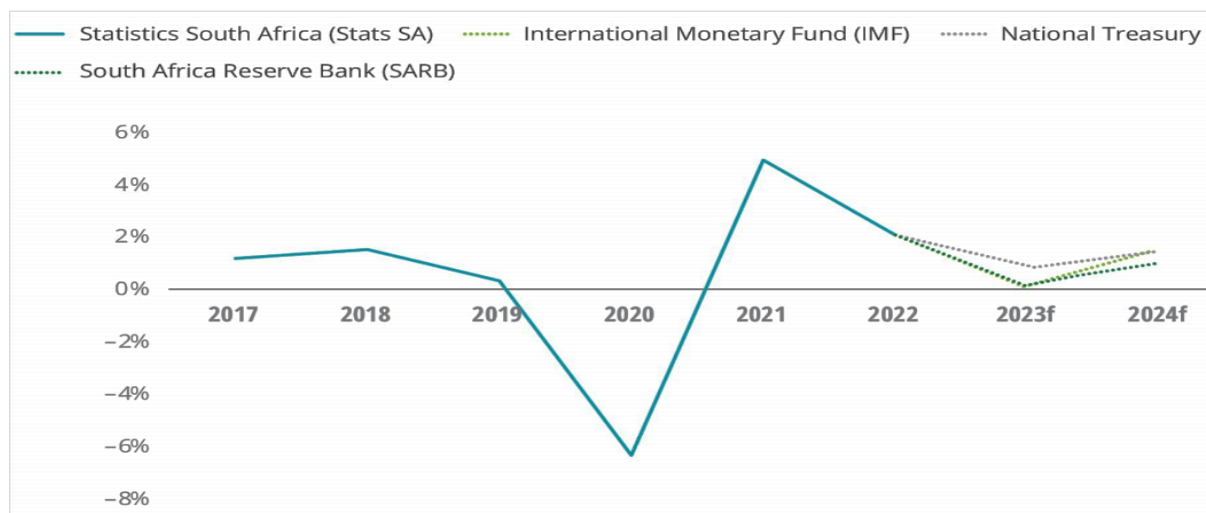
Organisation		NSDP Outcomes
The South African Insurance Association (SAIA) is the representative body for the non-life insurance industry. The organisation has non-life insurers, including reinsurers.		1-8
The South African Underwriting Managers Association (SAUMA) protects the underwriter's rights in the 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 developing new qualifications linked to life insurance.		1-8
The Black Brokers Forum (BBF) is a representative body of 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. It promotes education, training, and professionalism in compliance with its members and other stakeholders.		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.		1-8
The Institute of Loss Adjusters of Southern Africa (ILASA) controls the professional standards and conduct of loss adjusters. ILASA promotes the profession's skill, efficiency, service, and responsibility.		1, 2, 3, 4, 8
The Insurance Institute of South Africa (IISA) is a professional membership institute for the non-life insurance industry. The primary responsibility is to promote advancing knowledge and skills, maintaining the highest standards and ethics, and professional development in the insurance industry.		1-8
REGULATORY AND OTHER PUBLIC SECTOR BODIES		
The Financial Sector Conduct Authority (FSCA) is the market conduct regulator for the financial services sector, while the Prudential Authority (PA) regulates the financial soundness of financial institutions.		FSCA: 1, 3 PA: 1, 3
The South African Reserve Bank (SARB) and Statistics South Africa (Stats SA) are data producers. SARB maintains price stability in the interest of balanced and sustainable economic growth.		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 co-operative development	
Outcome 7	Encourage and support worker-initiated training.	
Outcome 8	Support career development services	

1.4 ECONOMIC PERFORMANCE

1.4.1 Economic Context

The growth outlook for South Africa is bleak, and a scenario of flat to no growth is a real possibility for 2023 (figure 1).

Figure 1: South Africa's GDP growth (2017-2024f)



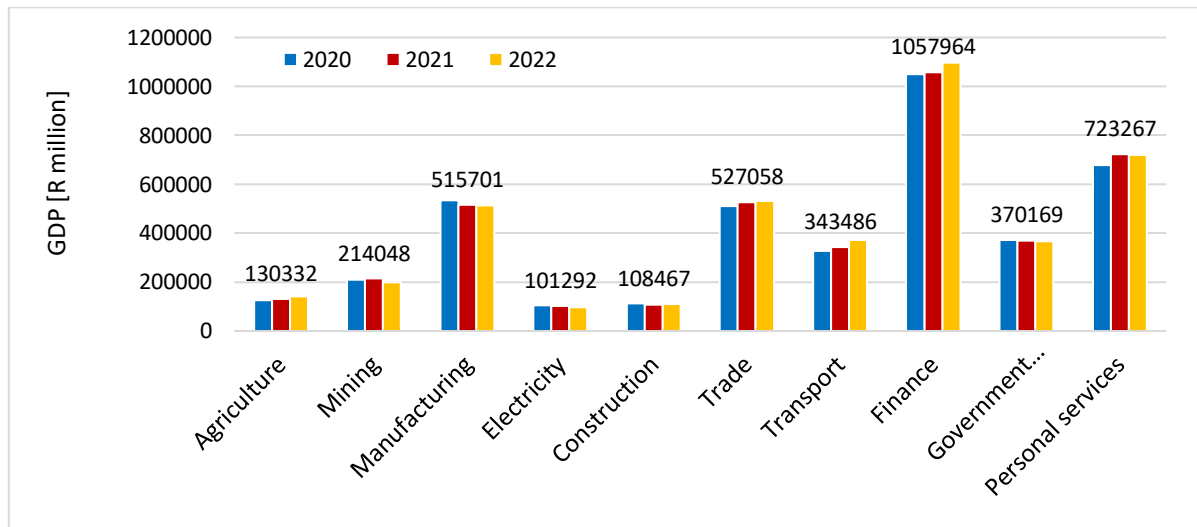
Source: IMF (2022)

The country could already be in a technical recession in Q1 2023 (defined as two consecutive negative quarters of growth). The National Treasury's baseline forecast, released on 22 February 2023, expected a moderate deceleration of growth to 0.9% in 2023. The South African Reserve Bank (SARB) forecast at the end of January 2023 was less optimistic, at 0.3%. The International Monetary Fund (IMF) slashed its 2023 forecast from 1.2% per January's update to a meagre 0.1% on 23 March 2023 because of intensified power shortages and an uncertain global environment.

Furthermore, given lower net exports due to logistical bottlenecks, the easing of commodity prices, and higher power-related imports, the current account deficit is projected to bulge from -0.4% of GDP in 2022 to -1.8% of GDP in 2023 and -2% in 2024. In a possible upside scenario where capital expenditure is "front-loaded," and where the resolution to the energy crisis is fast-tracked by creating a stable supply of electricity, growth over the medium term would still not average 2% per annum, as per National Treasury. This and soft commodity prices give further impetus to a "no growth" scenario for the South African economy in 2023.⁴

⁴ International Monetary Fund (IMF), "South Africa: Staff concluding statement of the 2023 Article IV Mission," March 22, 2023.

Figure 2: Sector comparison-real GDP growth (Q4: 2020-2022)



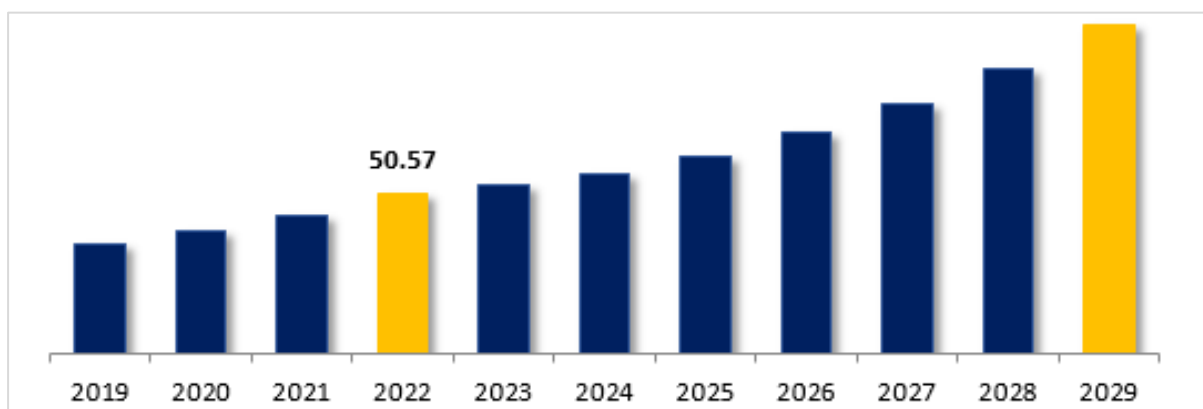
Source: Stats SA GDP Q4 (2022)

Finance (finance, real estate, insurance, and business services) has been the major GDP contributor for over three years. The July 2021 riots damaged businesses, infrastructure, and the economy. Over 350 lives and two million jobs were lost. Over 200 shopping malls and 1 787 retail outlets were damaged. The riots led to an exponential increase in claims in the region of R50 billion. The South African Special Risks Insurance Association (SASRIA) received claims amounting to R20bn.⁵

1.4.2 Insurance Industry Performance

The South Africa insurance market was estimated at USD 50.57 billion in 2022. Between 2023 and 2029, the South African insurance market size is expected to grow at a significant Compound Annual Growth Rate (CAGR) of 10.52%, reaching a value of USD 101.42 billion by 2029.

Figure 3: Insurance market size (2019-2029)



Source: Blue Weather

⁵ Erasmus, D. 2022. *Cyril Ramaphosa: 'Attempted July insurrection' left two million jobless and wiped R50bn from the economy.* Cape Town: Daily Maverick. <https://www.dailymaverick.co.za/>

One of the major factors driving the growth of the South Africa insurance market is the country's underserved markets. The local industry is competitive as there are many well-funded local players. Major global companies seek to exploit these uncovered regional prospects and ventures in crowded areas.

1.5 LABOUR MARKET PROFILE

1.5.1 SA LABOUR MARKET

The South African labour market is bifurcated by high unemployment of unskilled workers and high vacancy rates for skilled workers. There is a structural mismatch between the skills supply and demand. The country's unemployment rate is among the world's highest, fueling inequality and poverty. The mismatch is intensified by skills-biased technological change, with employment growth skewed towards jobs with high skills intensities.

Table 4: Labour market structure

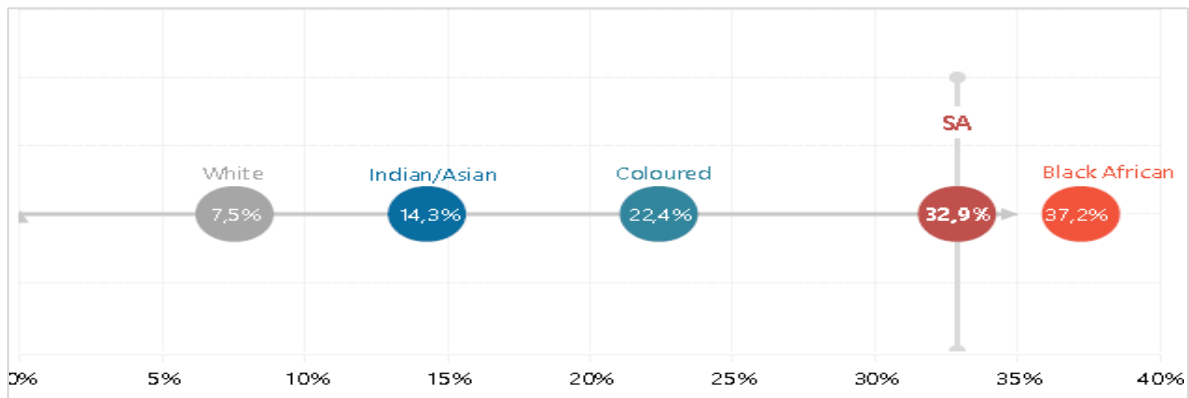
Employed 16.2 million	Unemployed 7.9 million	3.3m	Not Economically Active 13.2 million
	NEETs 3.7 million	Discouraged work-seekers	

Source: QLFS (Q1:2023)

There are 16.2 million employed out of an economically active labour force of 27.4 million. The official unemployment rate was 32.9% in the first quarter of 2023. There are 3.3 million discouraged work seekers. The expanded unemployment rate was 42,4% in Q1:2023. Youth aged 15-24 and 25-34 recorded the highest unemployment rates of 62.1% and 42.7%. There are 3.7 million out of 10.2 million aged 15-24 years not in employment, education and training (NEET).⁶

⁶Statistics South Africa (2023) Quarterly labour force survey. Quarter 1. StatsSA: Pretoria.

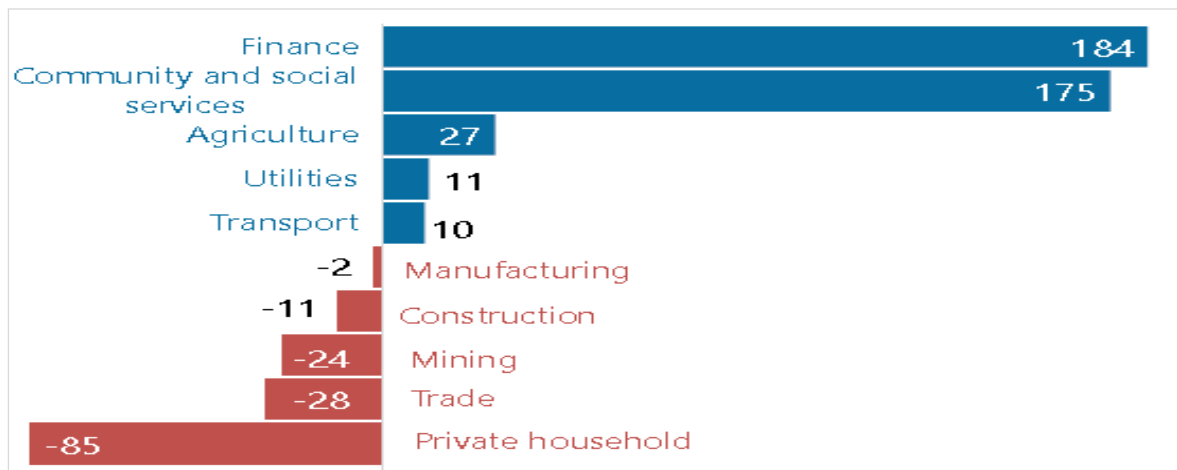
Figure 4: Unemployment by race



Source: QLFS (Q1:2023)

Unemployment differs by race. White unemployment is 7.5% compared to Black African at 37.2%. It amplifies the need for pursuing employment equity targets in the labour market.

Figure 5: Employment changes



Source: QLFS (Q1:2023)

Employment growth was highest in finance (insurance, banking and financial services). There was a 7.4% increase (184 000) in employment year-on-year. It demonstrates the resilience of the finance sector in a no-growth economic environment.⁷

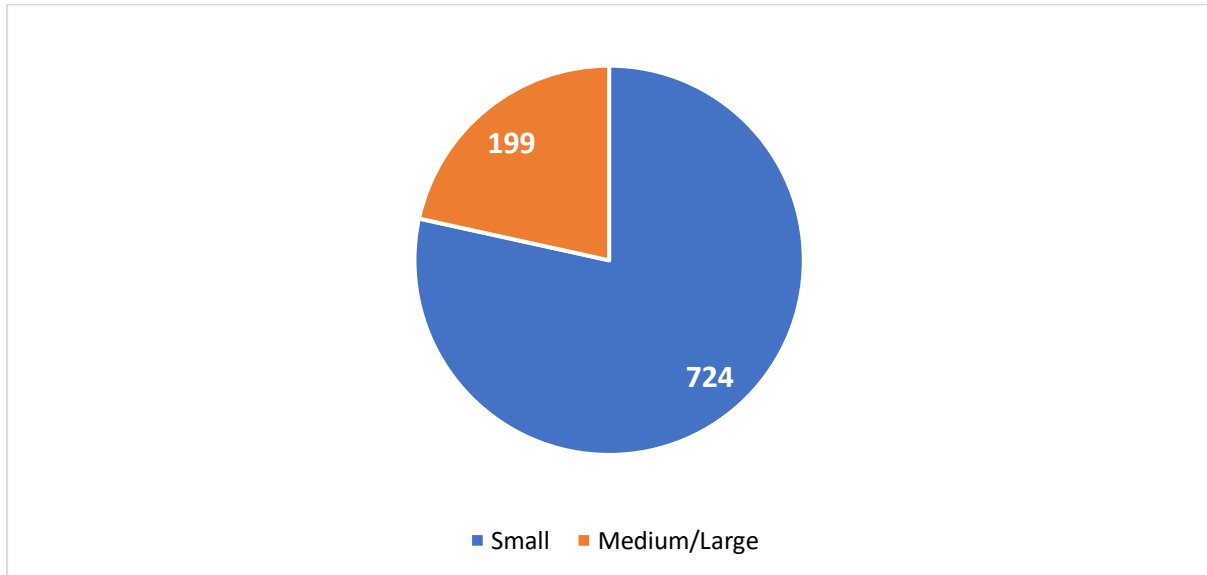
1.5.2 WORKPLACE SKILLS PLAN/ANNUAL TRAINING REPORT

The INSETA received 923 WSP/ATRs for 2023-2024 consisting of 724 small and 199 medium/large employers. Not all eligible employers in the sector submit a WSP/ATR. Therefore, the size of the insurance workforce is not the sum of all WSP/ATR submissions. We

⁷ Ibid.

analyse the number of employees trained (ATR) in 2022-2023 and planned training (WSP) for 2023-2024 for employees applying for mandatory grant rebates.

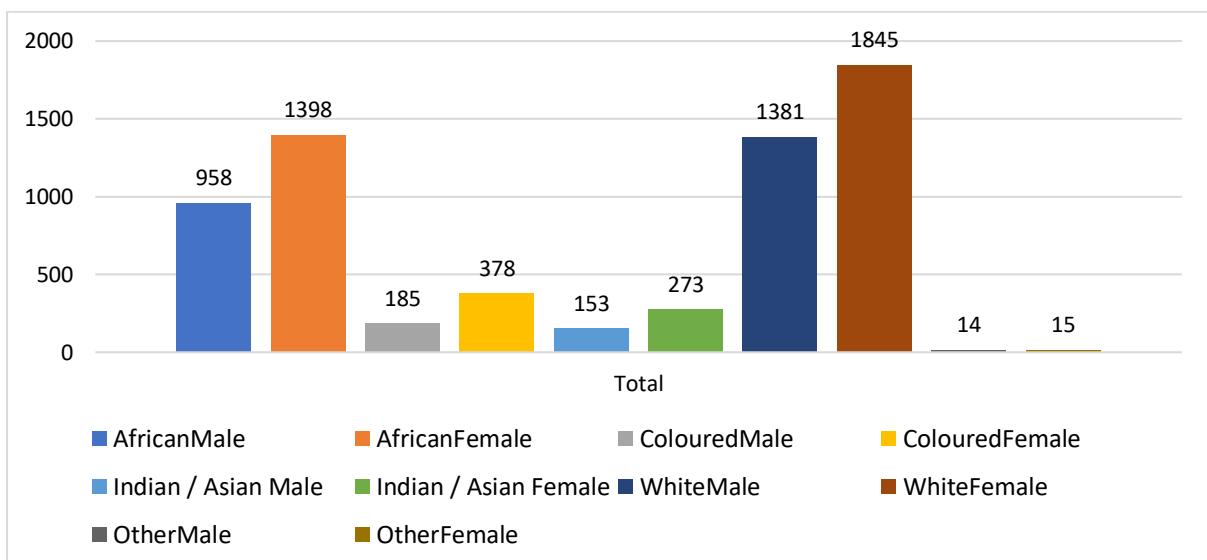
Figure 6: WSP/ATR submissions (2023/2024)



Source: WSP/ATR 2023-24

Seven hundred twenty-four small employers submitted WSP/ATR compared to 199 medium/large companies.

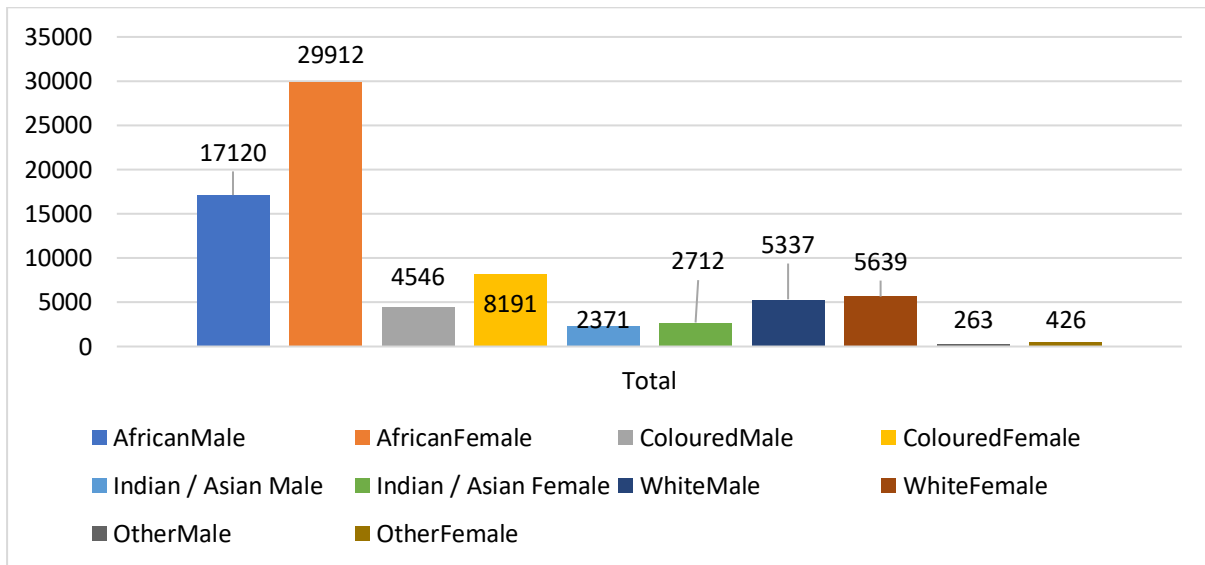
Figure 7: Employees trained in small companies



Source: WSP/ATR 2023-24

More Whites received training than other race groups in small companies. It shows that there are more White-owned small businesses.

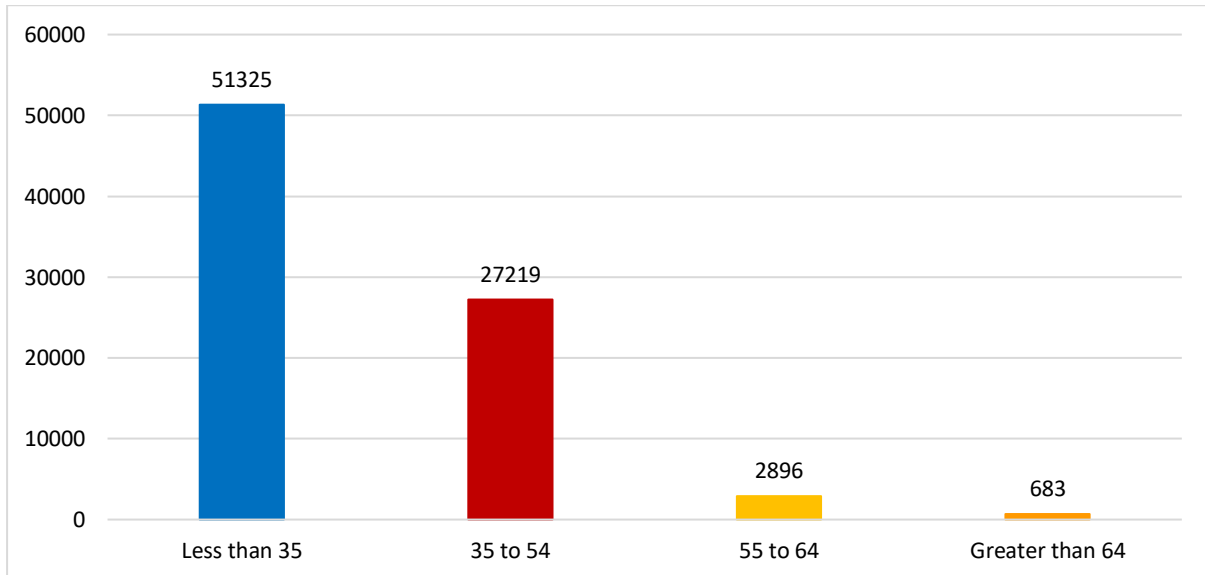
Figure 8: Employees trained in medium/large companies



Source: WSP/ATR 2023-24

More African males and females employed in medium/large companies received training compared to other groups.

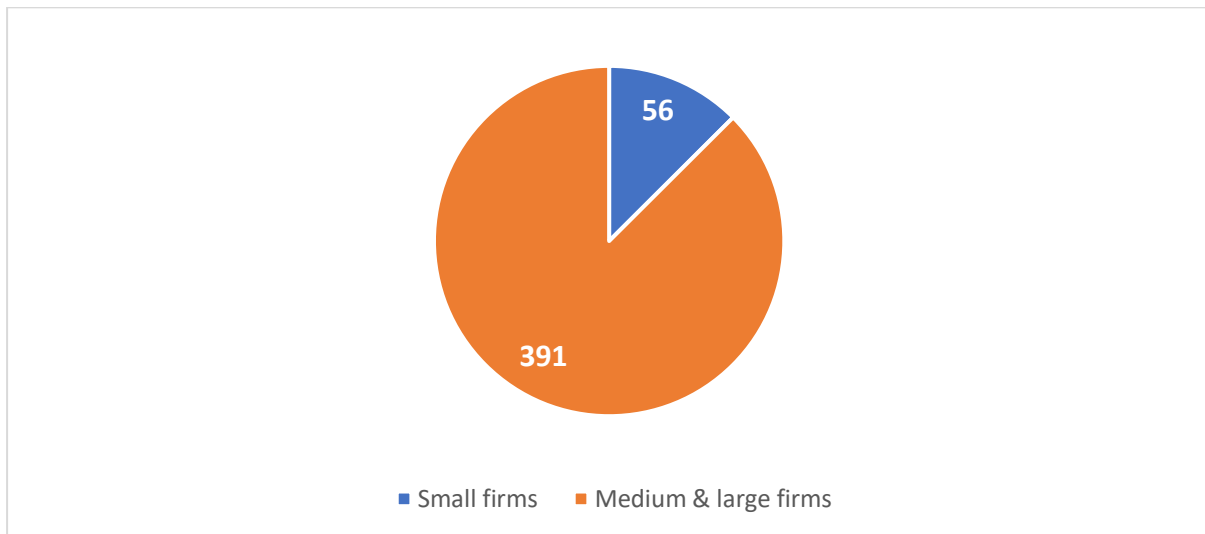
Figure 4: Employee training by age



Source: WSP/ATR 2023-24

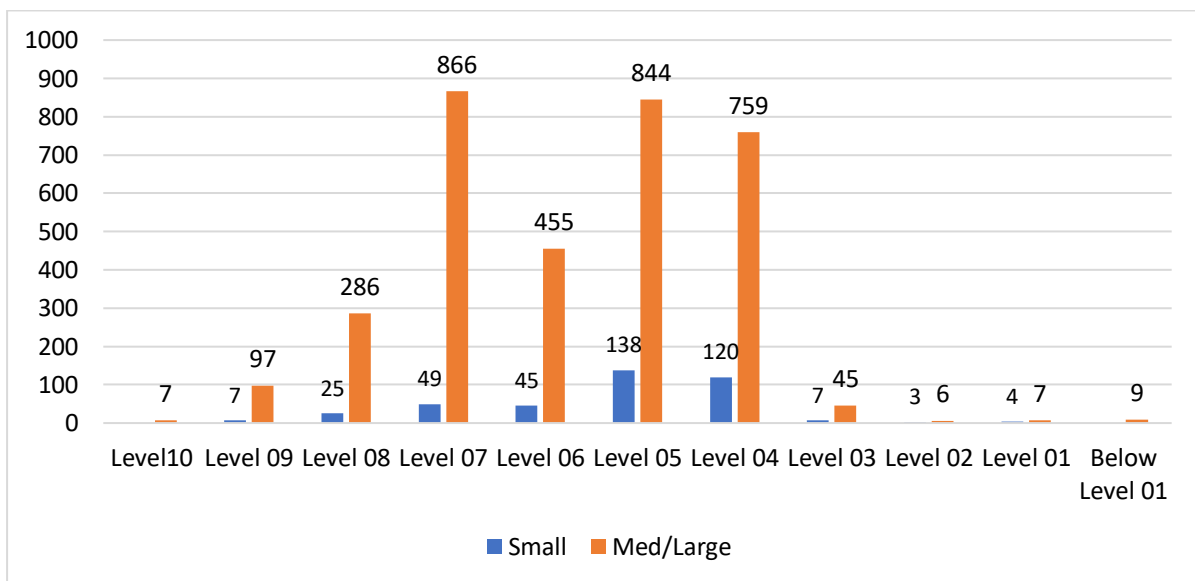
More youth (less than 35 years) received training, followed by the 35-54 age group than any age group.

Figure 5: Training for people with disabilities



Source: WSP/ATR 2023-24

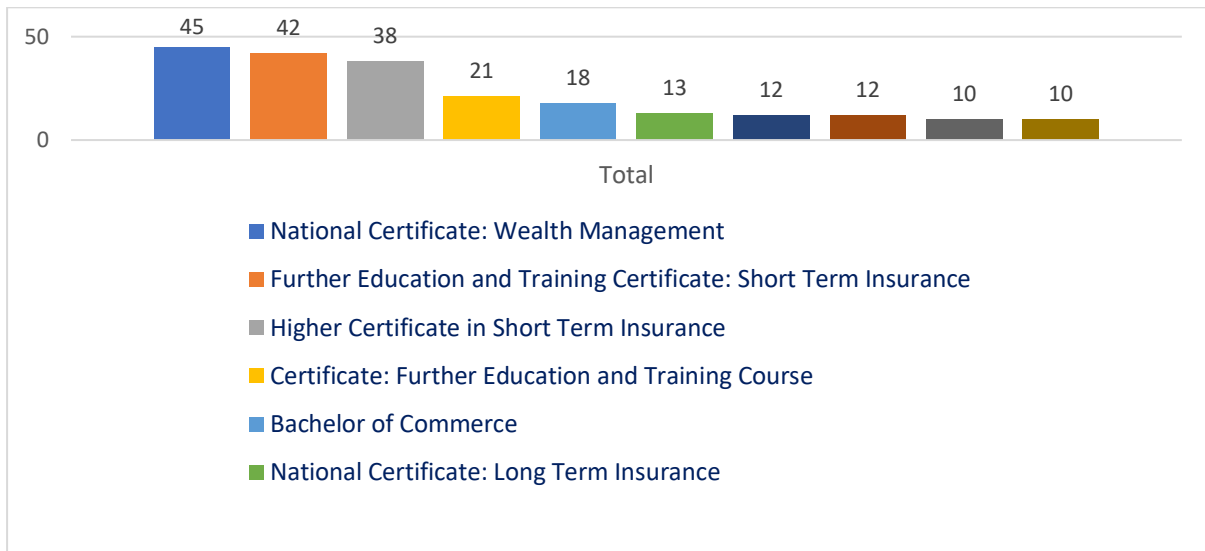
Figure 6: Training by NQF level



Source: WSP/ATR 2023-24

Although the small employer WSP/ATR submissions are high, the training rate is low. The training rate of medium/large companies is high and concentrated at NQF Levels 4 to 7.

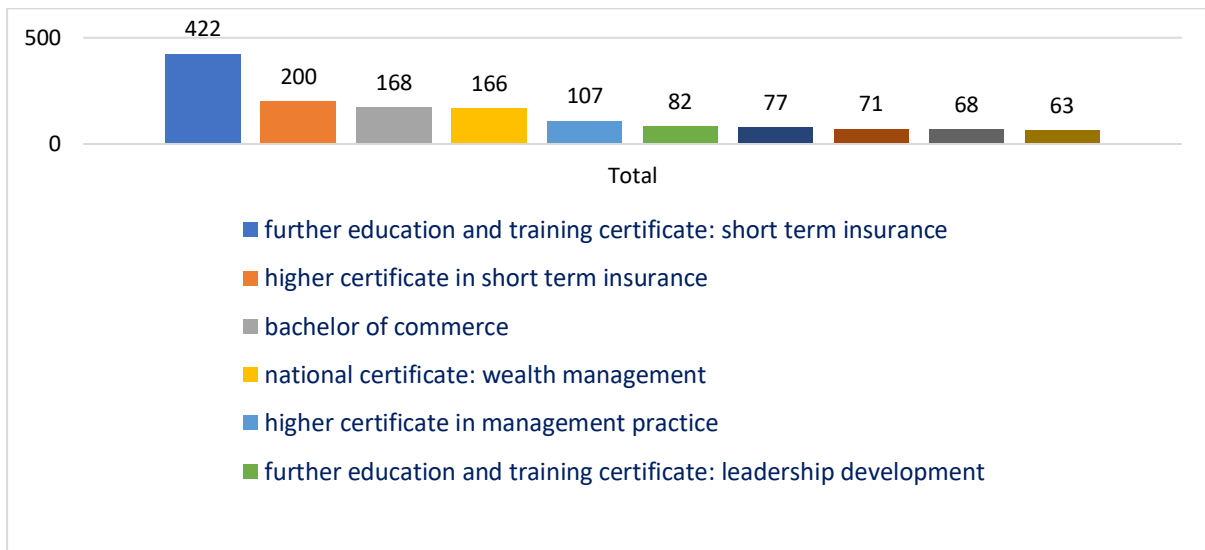
Figure 7: Employees' top 10 pivotal programmes for small employers



Source: WSP/ATR 2023-24

Wealth management and short-term insurance are most popular with small employers.

Figure 8: Employees' top 10 pivotal programmes for medium/large employers



Source: WSP/ATR 2023-24

Short-term insurance and a Bachelor of Commerce are most popular with medium/large employers.

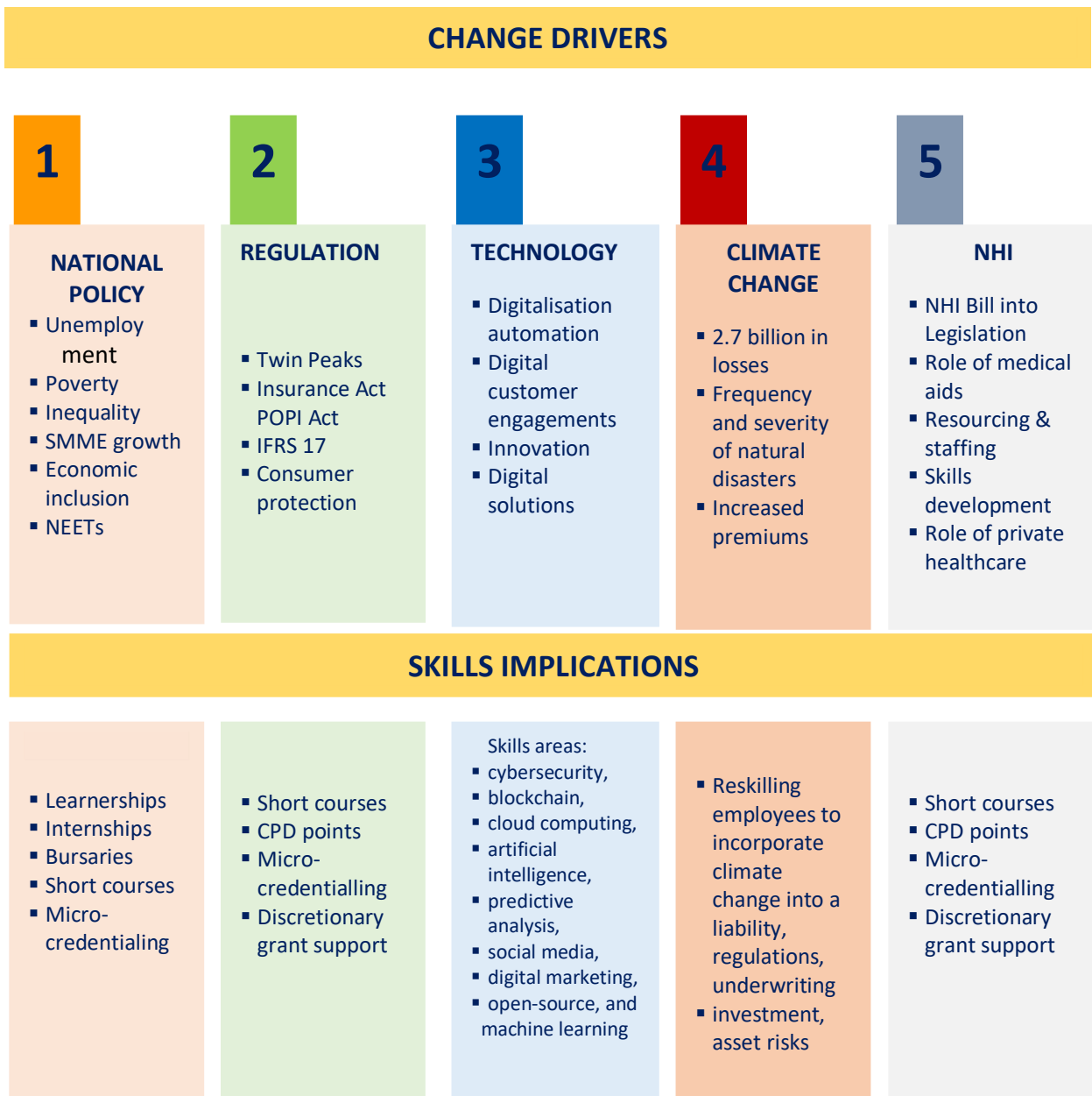
CHAPTER TWO: KEY SKILLS CHANGE DRIVERS

2.1 INTRODUCTION

Global megatrends and local developments are impacting skills development.

2.2 KEY CHANGE DRIVERS

The key skills change drivers were identified from interviews with INSETA informants, a focus group meeting with the Research & Learning Committee and a literature review. The SSP should respond to these change drivers reshaping the insurance sector.



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, and 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).

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 through learnerships, internships, bursaries, and skills programmes.
- **SP 7:** To ensure that education and training outcomes are equitable regarding 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 the 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 government plan, 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 global health 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: Engagements with FEDUSA on the impact of green skills across various sectors, including agriculture. Pursuing green industrialisation and a green future is important for INSETA and the insurance sector.

- Digital Transformation—Infrastructure (IT) in Public TVETs: Upskilling and reskilling on innovation in infrastructure delivery.
- 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 promote greater participation by black people, women, youth, and persons with disability at all economic levels.

Presidential Youth Employment Initiative (PYEI)

- INSETA constituent members participate in the Youth Unemployment Scheme (YES) programme. Sanlam (Non-BEE), Hollard, OUTsurance Life, OUTsurance Shared Services, Viva Life Insurance, Lionel Isaacs Insurance, Pinnafrika Insurance underwriters, King Price and SA Fire Insurance are participating in YES.

2.4 CONCLUSION

We have identified five major changes drivers and their implications for skills development. The change drivers must respond to a competitive and rapidly evolving economic environment. The insurance sector should focus on transformation, job creation, and access to financial services. Training and job creation interventions should be geared toward responding to sector occupational shortages and filling sector skills gaps.

INSETA has supported national plans and strategies, including the ERRP. It includes two critical Ministerial projects about the ERRP, internships and WIL. The INSETA will also support learners in rural areas. Finally, INSETA's Youth Employability Programme (YES) directly responds to the ERRP.

CHAPTER THREE: OCCUPATIONAL SHORTAGES AND SKILLS GAPS

The chapter identifies occupational shortages and skills gaps in the insurance sector.

3.1 INTRODUCTION

There are several recent studies on skills imbalances (shortages and surpluses) through the Department's multi-year labour market intelligence programme (LMIP), in partnership with the Development Policy Research Unit (DPRU) at the University of Cape Town. These include the *Skills Supply and Demand in South Africa (2022)*, *Skills Imbalances in the South African Labour Market (2022)*, *List of Occupations in High Demand (2020)* and the *Critical Skills List (2022)*. We examine these studies to identify occupations in demand and skills gaps.

The section also interrogates the Workplace Skills Plan/Annual Training Report 2023-2024 submissions of insurance companies. The studies mentioned above identify a Top 10 List of Sectoral Priority Occupations. INSETA undertook research in 2022 on the jobs shift to determine the level of change in the jobs, the obsolete jobs, and the new jobs that will emerge.

3.2 SKILLS IMBALANCES

The OECD produced a *Skills Imbalances in the South African Labour Market Report (2022)* using data from the OECD skills for jobs database.⁸

Skills imbalances emerge when the demand for skills and the supply of skills are not aligned. Imbalances generally take three forms:

Shortages: When the demand for a certain skill exceeds supply, employers will have difficulties hiring workers with the right skills.

Surpluses: When the supply of a certain skill is higher than the demand for it, individuals with that skill might have difficulties finding a job where they can use it.

Mismatch: When employees employed in a job that does not match their skills profile, they are mismatched to their job.

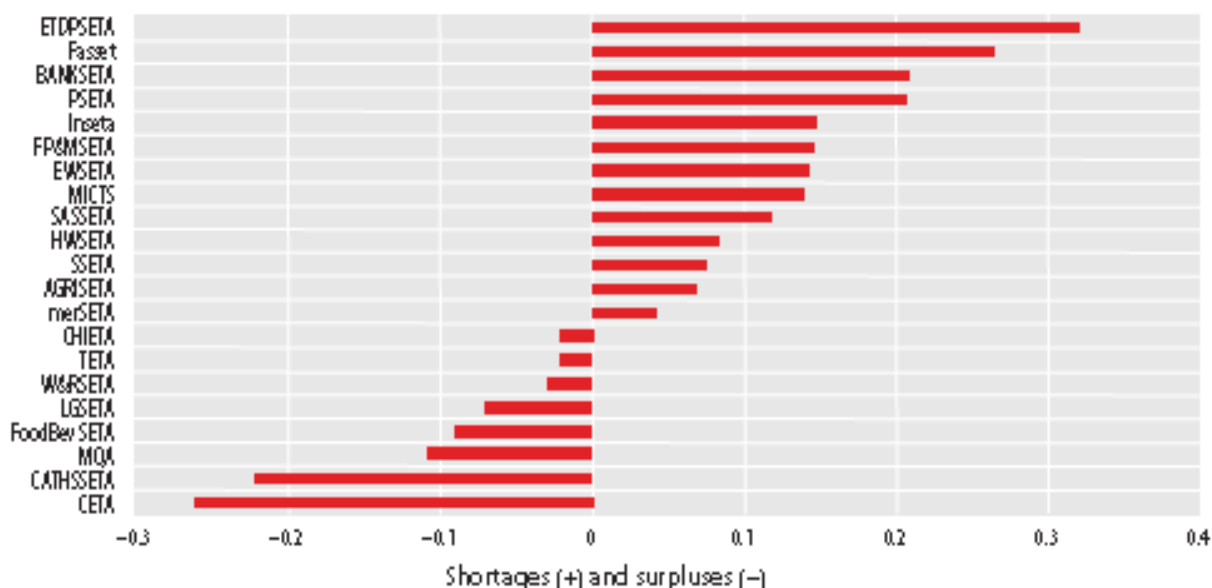
Skills imbalances are driven by supply and demand. Regarding supply-related factors, imbalances can result from low labour availability or a lack of skills. Skills demand will be driven by the change drivers discussed in Chapter 2 and the state of the economy.

⁸ Vandeweyer, M. and Verhagen, A. (2022). *Skills Imbalances in the South African Labour Market: Detailed results from the OECD Skills for Jobs database*. Produced for the Department of Higher Education and Training as part of the Labour Market Intelligence research programme.

3.3 EXTENT OF INSURANCE SKILLS MISMATCHES

Aggregating the occupational shortage index at the industry level results in a shortage index by industry. The figure below shows the ranking of the industries (positive values are shortages; negative values are surpluses). The insurance industry shows the fifth-highest shortage on the index. Banking and finance are second and third. These three sectors are broadly defined as financial services with common skill sets for the workforce.

Figure 9: Shortage index by industry

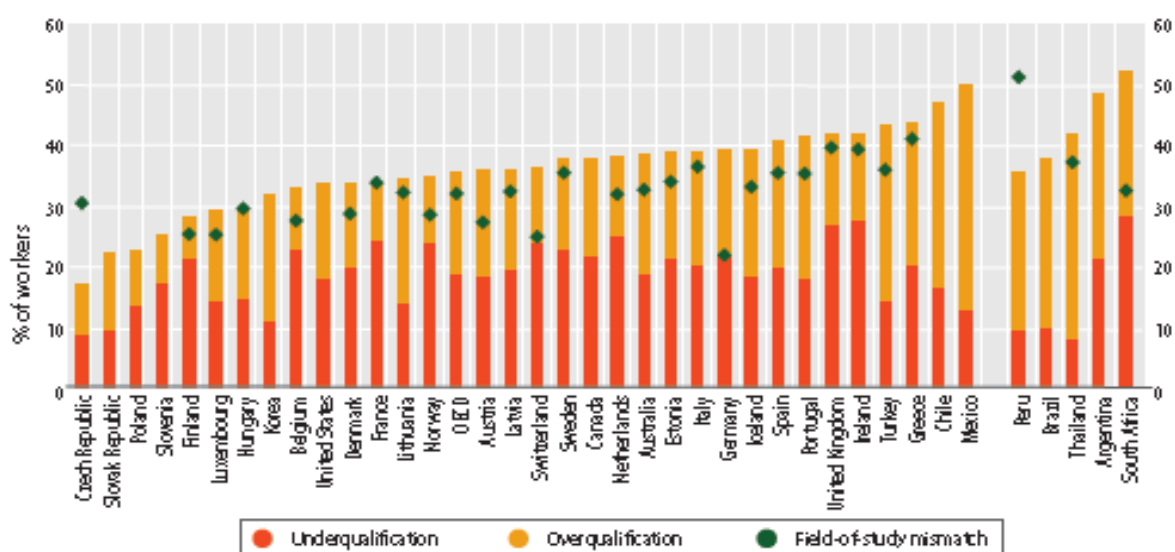


Source: OECD Skills for Jobs database using the LMDS (2008–2018)

3.4 QUALIFICATION AND FIELD OF STUDY MISMATCH

The insurance industry's field of study mismatch is 30% (people who studied in other fields besides insurance), under qualification 35% (people who lack requisite qualifications), and overqualification 25% (people with higher qualifications than those needed for their job).

Figure 10: Quality and study field mismatch



Source: OECD Skills for Jobs database using the LMDS (2020)

Hence, it is evident that skills mismatches are evident in the insurance industry. Interestingly, the mismatch indicators are higher for insurance than for finance and banking.

3.5 OCCUPATIONS IN HIGH DEMAND

The *List of Occupations in High Demand (2020)* identifies high-demand occupations (OIHD) based on wage pressure and stakeholder consultations. Occupations are in high demand if it shows strong employment growth, demand exceeds supply, and if it is an emerging occupation. The list signals the need to develop new qualifications, informs enrolment planning and supports career guidance.⁹

The following five measures determine the OIHD:

				
Wage Pressure	Employment Pressure	Vacancy Pressure	Strategic Demand	Stakeholder Consultations

⁹ DNA Economics (2020). *The 2020 List of Occupations in High Demand: A Technical Report*. Produced for the Department of Higher Education and Training (DHET) as part of its Labour Market Intelligence (LMI) research programme.

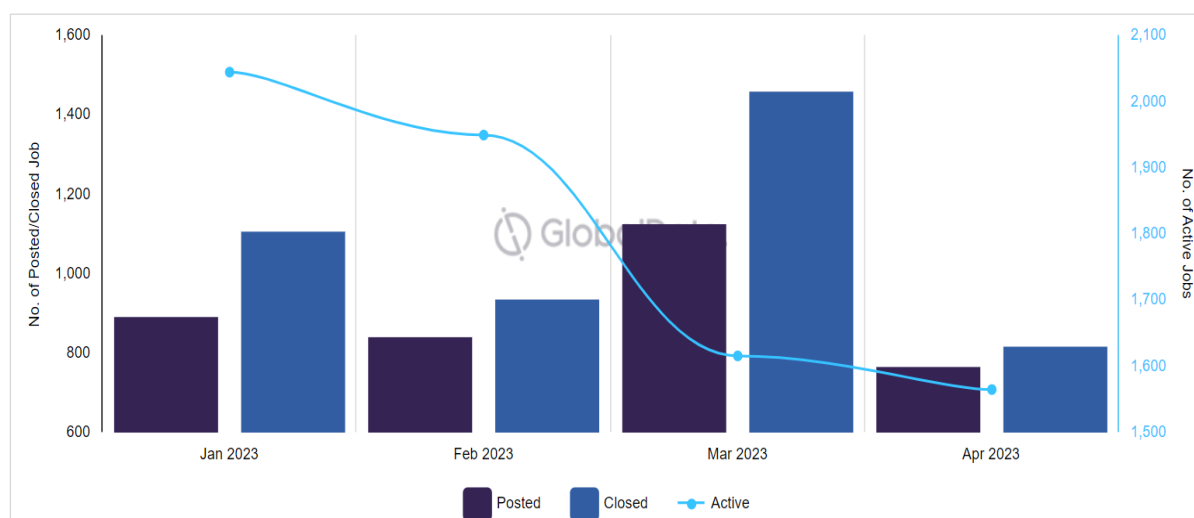
The following core and support insurance occupations are in high demand:

Insurance	Insurance risk manager, Insurance agent, Insurance broker,
IT	Investment analyst, Investment manager, Investment, Tax professional advisor, Financial markets practitioner, Financial investment advisor
Business & Accounting	Finance manager, Internal audit manager, Human resource manager, Business training manager, Customer service manager, Financial accountant, Management accountant,
Marketing & Sales	Sales and marketing manager, Sales manager, call centre agent,
ICT	Data scientist, Information technology manager, ICT project manage, Data management manager, ICT systems analyst, Software developer, Developer programmer, Programmer analyst, Computer network and systems. Engineer, ICT security specialist,
Public Relations & Media	Corporate communication manager, Web developer, Multimedia specialist, Database designer and administrator Diploma,
Legal	Attorney

3.6 JOB TRENDS IN THE INSURANCE SECTOR

The number of active job postings in the Insurance sector of South Africa decreased by 3.16% month-on-month and decreased by 23.47% since January 2023, reaching 1 565 active job postings in April 2023.

Figure 11: Job postings (Jan to April 2023)



Source: Global Data

Seven hundred sixty-two new jobs were posted in April 2023, witnessing a decrease of 32.09% compared to the previous month. From January 2023 to April 2023, the number of new jobs posted decreased by 14.19%, and the number of closed jobs decreased by 26.29%. In terms of Compound Monthly Growth Rate (CMGR) between January 2023 and April 2023, the number of new jobs posted observed a negative growth rate of 4.97%, the number of active job postings observed a negative growth rate of 8.53% and the number of jobs closed

observed a negative growth rate of 9.67%. Between January 2023 and April 2023, the average number of jobs posted stood at 902, the number of jobs closed stood at 1,076, and number of active jobs stood at 1,794.¹⁰

3.7 HARD-TO-FILL VACANCIES

A hard-to-fill vacancy (HTFV) arises when an insurance company takes longer than six months to find a suitably qualified and experienced candidate to fill a position. HTFV data is drawn from the WSP/ATR 2023-2024 and is the latest information from 923 small (724) and large (199) companies.

Figure 12: Hard-to-Fill vacancies



¹⁰ Global Data (2023) Job trends in the insurance sector. <https://www.globaldata.com/data-insights/financial-services/south-africa-job-trends-in-the-insurance-sector-2095267>

Lack of relevant work experience	Lack of relevant qualification	Equity considerations	Poor remuneration	Unsuitable job location
635	383	189	136	57

Other HTFV vacancies identified were (11) Human resource manager; (12) Sales manager; (13) Human resource clerk; (14) Compliance officer.



Vacancies by province:

Gauteng	560
Eastern Cape	176
Western Cape	175
KwaZulu-Natal	82
Free State	18
Limpopo	10
Mpumalanga	10
North West	6
Northern Cape	12



3.8 SKILLS GAPS BY MAJOR CATEGORY










The top 5 skills gaps for managers and professionals in the sector by frequency:

 Managers		 Professionals	
Management & Leadership	239	Planning and Organising	50
Project Management	51	Project Management	42
Supervisory	49	Problem-solving	34
Problem-solving	23	Technical (job specific)	24
Planning and Organising	21	Advanced IT and Software	21
Technicians & Associate Professionals		Clerical Support Workers	
Planning and Organising	82	Customer service skills (60)	63
Advanced IT & software	74	Communication	57
Problem-solving	67	Teamworking	45
Customer service skills	59	Technical (job specific)	41
Technical (job specific)	32	Office administration	35

3.9 FUTURE OCCUPATIONS AND TOP-UP SKILLS

New and future occupations are top-up skills that refer to what will be in future demand. The WSP/ATR is based on current demand and not geared to elicit information on future demand. Therefore, it is necessary to review the literature on future skills demand in the sector.¹¹

¹¹ World Economic Forum (2023) Future of Jobs Report: May. WEF: Geneva.
Rasool, H (2020) SETA interview report on skills development. DHET: Pretoria.

		
BI Analyst	Risk Analyst	AI Expert
		
Data Scientist	Data Analyst	Cloud Architect
		
Cybersecurity Specialist	U-X Specialist	Drone Pilot

The top-up skills of the future in insurance will cohere around the following needs:

AI and big data	Leadership and social influence	Decision-making
Analytical thinking	Empathy and active listening	Time management
Resilience, flexibility and agility	Motivation and self-awareness	Conflict management
Design and user experience	Block chain development	Cyber security
Customer service	Software design	Teamwork
Digital literacy	Coding	Project management
Talent management	Cryptocurrency	Coaching and mentoring
Creative thinking	Social media	forensic

Source: WEF (2023)

3.10 SUPPLY OF SKILLS

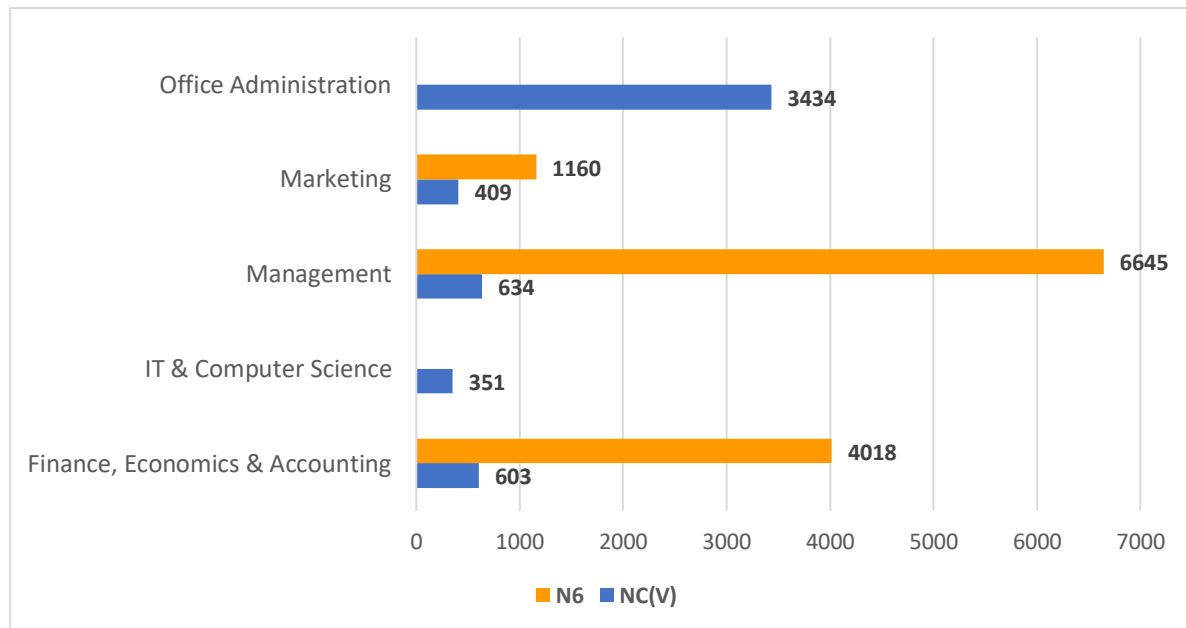
3.10.1 Nature and Extent of Skills Supply

The WSP/ATR 2023-2024 data indicates that the sector is skills-intensive and educational attainment is high. About 95% of workers are employed in managers, technicians, associate professionals, and clerks occupational categories and possess an NQF Level 4 qualification.

3.10.2 Technical and Vocational Education and Training

Public TVET colleges offer the National Certificate Vocational (levels 2-4) and the NATED (N1–N6). TVET colleges offer NC(V) in accounting, economics, and finance and NATED programmes at NQF levels 4-6 in financial and business management. Regarding TVET supply, the Statistics for Post-School Education & Training Reports show graduate rates for the N6 programmes.

Figure 13: Graduates outputs for the N6 and NC(V)



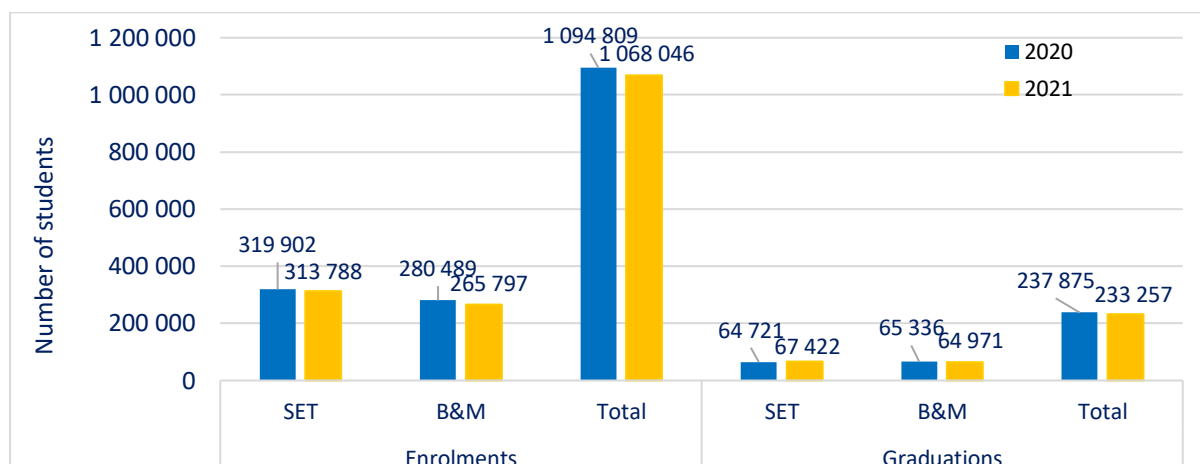
Source: DHET 2023

The NC(V) and N6 graduates in the afore-mentioned study fields compete with bachelor of Commerce, finance, IT, and marketing graduates from universities for employment with insurance companies in a tight labour market and no growth economy. Therefore, insurance companies tend to recruit graduates from universities.

3.10.3 Higher Education

The skills supplied by higher education institutions (HEIs) are critical for the insurance sector. We provide HE enrolments and graduates by study fields. Science, Engineering and Technology (SET) qualifications decreased from 319 902 in 2020 to 313 788 in 2021. Graduates increased by 2 701 in 2021 from 64 721 in 2020. While enrolments decreased, there was an increase in graduates – more new labour market entrants were supplied. The insurance sector commonly recruits graduates in engineering due to their analytical and mathematical skills. For Business and Management qualifications, enrolment was 280 489 in 2020, decreasing to 265 797 in 2021. The number of graduates produced in this field decreased by 365 in 2021, from 65 336 in 2020.

Figure 14: HET enrolments and graduates rates



Source: DHET (2023).

There has historically been a steady flow of graduates from higher education institutions. 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 number of graduates is a key challenge for the broader South African education system, requiring interventions across the full education system from early childhood development to higher education.

3.10.4 Workplace Learning

The table is about work-based learning for students completing programmes in the insurance sector. Four hundred students were absorbed into employment/self-employment in 2022-2023, while 870 completed internships, 750 completed learnerships, and 710 completed skills programmes. There is an opportunity to considerably increase the number of internships through a partnership with the YES programme, which currently has only 9 participating insurance companies.¹²

Table 5: Support youth to achieve qualifications/obtain employment

Output Indicator	Estimated Performance 2022/23	Medium-term targets	
		2023/24	2024/25
TVET students in WIL programmes to complete qualifications	1000	700	750
TVET students completed their WIL programmes	700	450	480
Unemployed learners enrolled for internships	1240	850	900
Unemployed learners who completed internships	870	250	280
Unemployed learners enrolled for learnership	1500	630	650
Unemployed learners certificated for learnerships	1050	750	1050
Unemployed learners enrolled on skills programmes	1020	630	650
Unemployed learners completed skills programmes	710	450	530
Learners are absorbed into employment/self-employed	400	400	430

Source: INSETA Annual Performance Plan (2023/24)

¹² Sanlam, Hollard, OUTsurance Life, OUTsurance Shared Services, Viva Life Insurance, Lionel Isaacs Insurance, Pinnafrica Insurance underwriters, King Price, SA Fire Insurance

The number of completions for bursaries, skills programmes and AET are given. The small number of AET programme completions is indicative that the insurance workforce is firmly concentrated in the post-school sector from NQF Level 4 upwards.

Table 6: Support for workers

Output Indicator	Estimated performance 2022/23	Medium-term targets	
		2023/24	2024/25
Number of workers granted bursaries completed their studies	600	600	650
Number of workers who completed skills programmes	2058	950	980
Number of workers certificated for learnership programmes	500	600	630
Number of workers who completed AET programmes	20	30	33
Number of workers who completed RPL	135	130	133

Source: INSETA Annual Performance Plan (2023/24)

3.11 SECTORAL PRIORITY OCCUPATIONS LIST

INSETA's Sectoral Priority Occupations List (2024-2025) and skills gaps were derived from a combination of sources:

- Workplace skills plans and annual training reports (2023-2024)
- Insurance industry publications
- DHET's *Occupations in High Demand List* (2020)
- Interviews with industry experts in the insurance sector (2023)
- Consultation with the INSETA Research and Learning Programmes Steering Committee

The top 10 sectoral priority occupations are the following:

- Financial Investment Advisor
- Insurance Agent
- Insurance Broker
- Actuary
- Compliance Officer
- Software Developer
- Insurance Claims Administrator
- Insurance Loss Adjuster
- Sales and Marketing Manager
- ICT Systems Analyst

Table 7: 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
2024-2025	2021-241301	Financial Investment Advisor	Financial Advisor Financial 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	130	250
2024-2025	2021-322101	Insurance Agent	Insurance Underwriter Insurance Representative	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.	6	Y	120	80
2024-2025	2021-332102	Insurance Broker	Short-term insurance consultant	Offer training courses for managing brokerages	4	Y	100	120
2024-2025	2021-212101	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	80	100

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
2024-2025	2021-242207	Compliance Officer	Compliance Officer (Financial Sector) Financial Markets Compliance Officer	Intermediate training in compliance services to comply with applicable regulatory requirements.	6	Y	40	150
2024-2025	2021-251201	Software Developer	Software Architect Software Designer	Training in designing and developing computer software systems. Also, on evaluating the requirements for these systems.	7	Y	35	90
2024-2025	2021-431204	Insurance Claims Administrator	Claims Clerk Claims Analyst	Advanced training programmes on liability and audit insurance settlements. Acquiring further knowledge in statistical or actuarial data, bonds, and shares.	5	Y	30	90
2024-2025	2021-331503	Insurance Loss Adjuster	Claims Assessor Accident Claims Officer	Training candidates in credit management, analytical, and administrative skills.	4	Y	20	60
2024-2025	2021-1221	Sales and Marketing Manager	Business Support Manager Key Accounts Manager	Training on planning and organising special sales and 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.	6	Y	20	60

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- 2025	2021- 251101	Systems Analyst	ICT Systems Architect ICT Systems Advisor	Support students with bursaries to enrol for training programmes at tertiary institutions on ICT systems data science	6	Y	15	20

Source: WSP/ATR data 2023/2024

Chief Executive Officer: Ms Gugu Mkhize

Date: 30 July 2023

Chairman of the Board: Mr Sihle Ngubane

Date: 30 July 2023

3.12 CONCLUSION

Skills supply, demand and mismatches were discussed in this chapter. There are significant skills mismatches in the insurance sector relative to other sectors. The speed of change in the sector leads to biased skills and technological change.

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 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 the 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 necessary for companies to stay competitive in the face of fintech companies. Technology staff need to gain expertise. There has been an increase in the demand for top-up skills in ICT, using online platforms, working remotely, and complying with health and safety protocols.

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% of the global workforce. Companies should start to look at talent differently.

The INSETA and companies should consider micro-credentialling to address skills gaps in the sector. It is a well-suited learning modality for the sector.

CHAPTER FOUR: SECTOR PARTNERSHIPS

The chapter assesses the current and planned partnerships.

4.1 INTRODUCTION

INSETA has several partnerships. The major partnerships are highlighted. There are TVET partnerships for learnerships, entrepreneurship, and work-integrated learning. Research partnerships exist with universities, professional associations and trade unions.

4.2 EXISTING PARTNERSHIPS

The existing partnerships are discussed.

4.2.1 TVET Learnerships

Partner organisations	Umfoloji TVET College, Orbit TVET College, Tshwane South TVET College, Maluti TVET College
Nature of the partnership	Research and accreditation capacitation; career guidance and entrepreneurship.
Term and duration	<ul style="list-style-type: none"> ▪ 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)
The objective of the partnership	<ul style="list-style-type: none"> ▪ Identify the priority research areas ▪ Curriculum development ▪ Lecturer capacity-building ▪ short skills programmes ▪ Learnerships
The value-add that these partnerships are providing to INSETA.	<ul style="list-style-type: none"> ▪ Better communication with the TVET colleges ▪ Industry linkages are better facilitated
Partnerships that are working successfully for INSETA and the reasons for this.	Partnerships are successful. Good relationships with TVET Colleges.
Partnerships that are not working	TVET College lecturers lack the appropriate insurance knowledge.
Types of gaps that the partnerships are addressing.	Industry linkages; communication; timely and accurate submission of compliance documents.
Plans to strengthen partnerships	N/A
Start/End Date	March 2020 - March 2025

4.2.2 Durban University of Technology Digital Skills

Partner organisations	Durban University of Technology (DUT)
Nature of the partnership	Research Chair
Term and duration	5 years
The objective of the partnership	<ul style="list-style-type: none"> ▪ Support insurance labour market research. ▪ Convene research events. ▪ Support digital skills development. ▪ Identify occupational change.
The value-add that these partnerships are providing to INSETA.	Research topics include the gig economy, job shifts and TVET research.
Partnerships that are working successfully and reasons	The digitalisation and 4IR research chair is valuable for the sector.
Partnerships that are not working	The programme was completed.
Gaps Addressed	Digital Fluency
Plans to strengthen partnerships	Ongoing
Start/End Date	March 2020 - March 2025

4.2.3 Career Guidance

Partner organisations	Yalina and Level Up Foundation
Nature of the partnership	Innovative Career Guidance
The objective of the partnership	<p>Provision of innovative career guidance activations:</p> <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, a 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.
The value-add that these partnerships are providing	INSETA will be visible in all provinces for career guidance to unemployed learners and be seen as a frontrunner in

to INSETA.	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. There are interactions with schools, which assist with the promotion of the insurance sector.
Partnerships that are not working successfully	The learnership applications exceed demand.
Gaps that the partnerships are addressing	Assisting learners in applying HEI opportunities; Career guidance; Career pathing; Motivation to learners.
Plans to strengthen partnerships	N/A
Start/End Date	Level Up Foundation (24 March 2022 – 31 March 2025) Yalina (22 March 2022 – 31 March)

4.2.4. Insurance Sector Student Fund

Partner organisations	Insurance Sector Student Fund
Nature of the partnership	<p>The Insurance Sector Student Fund (ISSF) is a co-funded bursary scheme to skill, upskill, reskill and multi-skill student graduates and workers. Priority is given to programmes and courses in the insurance value chain.</p> <p>The ISSF has various categories, which include:</p> <p>High Education Institutions (HEI): HEIs administer specific programmes' bursaries.</p> <p>Strategic Implementation Partners: Organisations administer the bursary for specific programmes.</p> <p>Co-Funders: Employers who pre-selected beneficiaries: their employees and unemployed learners.</p> <p>Public (Unemployed and Employed) - South African citizens who intend to study a HEI qualification</p>
Term and duration	5 years
The objective of the partnership	Fund financially challenged candidates, academically excellent youth, and workers, and support the missing middle households who do not meet the NSFAS criteria.

The value-add that these partnerships are providing to INSETA.	INSETA focuses on the scarce and critical skills in the sector.
Partnerships that are working successfully for INSETA and the reasons for this.	The partnership is working successfully. The partnership that has also worked well for INSETA and the ISSF is working alongside Ikusasa Student Financial Aid Programme (ISFAP). ISFAP has assisted the ISSF in helping students.
Partnerships that are not working successfully	Ensuring that students remain in the programme.
Gaps that the partnerships are addressing.	Career guidance facilitation; advocacy; industry linkages; university-TVET college qualifications integration; rural development.
Plans to strengthen partnerships	INSETA is currently engaging with the Financial Sector Transformation Council (FSTC) to ensure that the ISSF is accredited as a fund and that this will assist in attracting more potential funders.
Start/End Date	01 April 2022 – 31 March 2025

4.3 PLANNED PARTNERSHIPS

INSETA is planning a partnership with the FIA, whose primary purpose is to develop a skills strategy to support a skills mandate. INSETA is concluding its MoU with TVET Colleges in Limpopo, the North-West, Free State and Eastern Cape, and community education colleges (CET) in the North-West and the Western Cape. The focus is on lecturer training.

An MoU with the FPI focuses on lecturer resources for financial advisor qualifications and is in the process of being finalised. INSETA is also developing a partnership with the CISA to replace the FAIS Act with the COFI Bill. Finally, INSETA is also busy concluding a partnership with the Federation of Unions of South Africa (Fedusa) on the impacts of climate change on the insurance sector.

4.4 A MODEL OF A SUCCESSFUL PARTNERSHIP

INSETA has developed a prototype of research partnerships with universities. It has a research chair at the Durban University of Technology (DUT) and released a new expression of interest.

The activities are bursaries for honours, masters, and doctoral students in insurance; sponsorship for insurance research chairs; research studies in insurance, skills planning and technology; research events; and networking. The partnership enables 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.

4.5 CONCLUSION

The focus of existing and planned partnerships for INSETA is strengthening the supply-side delivery of insurance programmes in the public post-school education and training system. This occurs through establishing 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 FIVE: SETA MONITORING AND EVALUATION

The chapter discusses INSETA's monitoring and evaluation framework.

5.1 INTRODUCTION

The chapter is about monitoring and evaluation (M&E), its background, purpose and the legislative policy framework underpinning M&E. The chapter also looks at the strategic priorities of the INSETA Strategic Plan, including looking at the performance of INSETA against the set targets and outlining an action plan for targets not achieved.

5.2 PURPOSE AND OBJECTIVES OF MONITORING AND EVALUATION

M&E ensures compliance with performance objectives, impact, and service delivery against the outcomes of Strategic and Annual Performance Plans. INSETA's objectives in conducting M&E are:

- Monitor compliance with policies and procedures.
- Monitor alignment of core activities.
- Monitor workplace suitability.
- Confirm Discretionary Grant beneficiaries.
- Monitor learner attendance.
- Monitor funding.
- Monitor the payment of learner stipends.
- Monitor employer compliance for learning programmes.

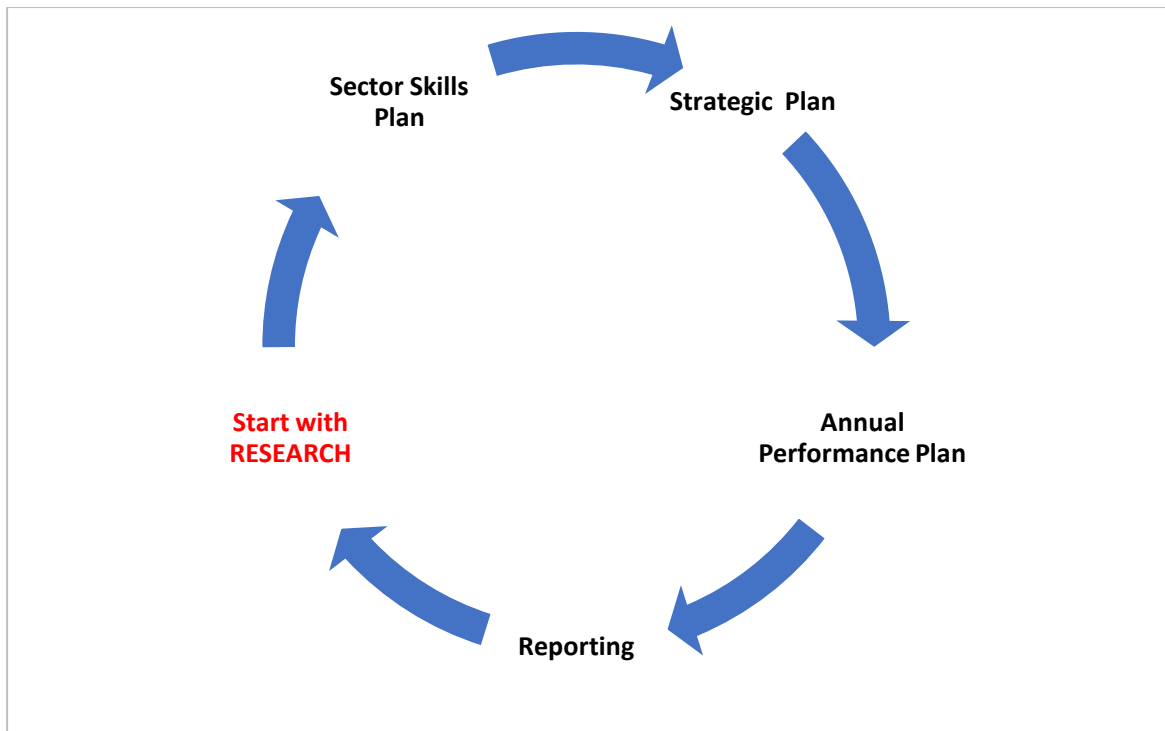
In addition, the monitoring of INSETA-accredited Skills Development Providers is conducted by the Quality Assurance division. This monitoring angle ensures that quality learning is presented to the learners.

5.3 APPROACH TO MONITORING AND EVALUATION

INSETA has an M&E Unit reporting to the Executive Manager: Operations. The unit monitors:

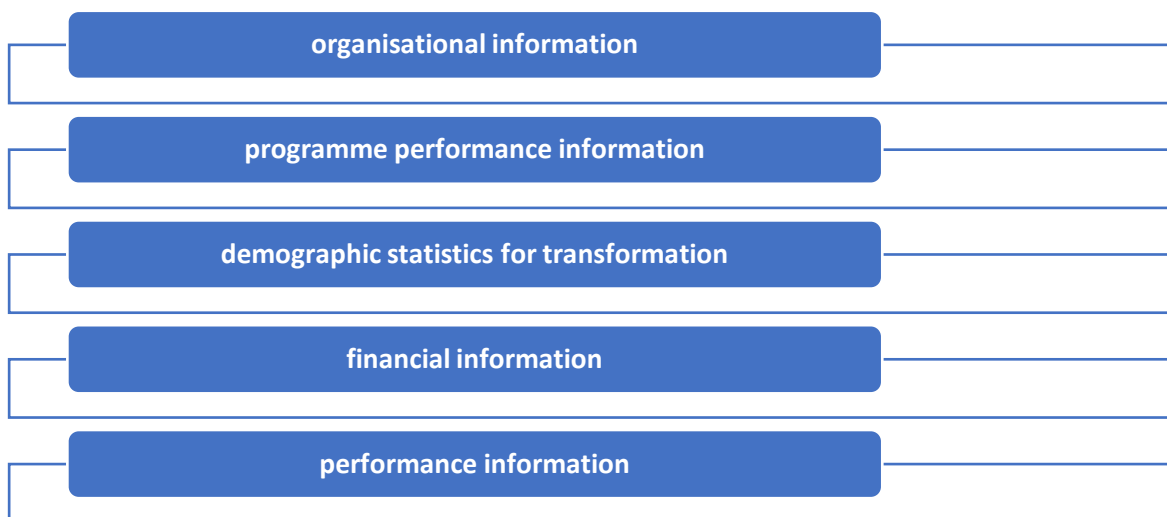
- Research for the Sector Skills Plan (SSP).
- Review Strategic, Annual Performance Plans (APP) and Annual Operational Plans.
- Development M&E Policy and Procedure.
- Implementation of programmes/projects that align with identified strategic focus areas.
- Monitoring and evaluating of approved funding allocated.
- Monitoring of performance against targets set in the SSP and APP.
- Reporting on Monitoring and Evaluation, making recommendations for improving processes and updating policies and procedures.

INSETA conducts tracer and impact studies annually. The findings inform skills priority actions.



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

The system has five components:



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

The M&E from the previous planning cycle and progress is given (a detailed exposition is in the annual performance plan 2024-2025):

Strengthen INSETA's Research Capacity for Sector Skills Planning - the appointment of DUT as the INSETA Research Chair has ensured new research studies in the Gig economy and

occupational change. DUT also organises research seminars.

COVID-19 Training Response – companies conducted in-house training on COVID-19 health and safety protocols.

Top 10 Sectoral Priority Occupations – learnerships and bursaries to support the Top 10 occupations were tracked in the annual performance plan (APP).

Body of Knowledge – both volumes of the Body of Knowledge for short-term insurance were completed.

Meeting Transformation Targets – transformation targets were implemented in the APP and reported in the quarterly report.

Supporting Small Businesses, Rural Development and Co-operatives – this indicator was tracked as per the APP and reported in the quarterly report.

Building Career Guidance –INSETA participated in several career fairs.

Support National Strategies and Plans – the SSP is aligned to national plans and strategies, a DHET requirement.

Alignment to the Government's Economic Reconstruction and Recovery Plan (ERRP) – support is through learnerships and bursaries.

5.4 USE OF MONITORING AND EVALUATION DATA

The M&E recommendations obtained improve learning programmes, efficiency, and implementation.

These recommendations are applied strategically and practically to:

- Monitor individual projects to support the strategy.
- Review and evaluate reports and data.
- Ensure the INSETA Strategy is financed.
- Foster a culture of M&E.

Reports of impact and tracer studies conducted are used to assess learner performance, employers, skills development providers, and learning programme effectiveness. In addition, evaluation assists INSETA in making strategic decisions regarding:

- Increasing the number of new youth entrants.
- Promoting INSETA's engagements with the sector for skills development.
- Expanding INSETA's reach, especially in rural areas.
- Crafting learning programmes and new delivery modes.
- Promoting online learning.
- Developing a strategy to improve organisational performance.
- Developing service standards to improve service delivery.

The Research and Learning Programmes Committee advises INSETA on skills development.

5.5 PLAN OF ACTION

The M&E system will be strengthened by adopting the following measures:

- Applying root cause analysis failure to meet targets.
- Implementing corrective measures to meet unachieved targets.
- Producing monthly M&E reports.
- Evaluating measures for meeting the targets.

5.6 CONCLUSION

There is a strategic link between M&E and operations. The INSETA Board and its sub-committees meet regularly to review performance reports presented by the Executive Management of performance presents.

CHAPTER SIX: STRATEGIC SKILLS PRIORITY ACTIONS

This final chapter discusses key findings, outlines the strategic skills priority actions, describes the measures to support the change drivers, and makes recommendations.

6.1 FINDINGS FROM PREVIOUS CHAPTERS

Chapter 1: Sector Profile

Although there was increased growth in 2020, forecasts suggest low growth in South Africa in 2023. The insurance sector is resilient to shocks and is on a growth path. The labour market is shedding jobs, with unemployment at a historical high. Youth unemployment exceeds 60%, despite several labour market activism measures.

The insurance sector is highly skilled, with 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 relative to other services sectors. It is evident at higher occupational levels. INSETA, through its programmes, targets a higher proportion of people from historically disadvantaged backgrounds, which includes women, people living with disabilities and rural & township communities. Furthermore, through robust stakeholder engagement, INSETA will continue to solicit inputs to improve employment equity targets.

Chapter 2: Key Skills Change Drivers

The skills change drivers have major implications for skills development, necessitating the reskilling of existing employees, qualification review; new qualification development; and increased discretionary funding.

The challenge is strengthening public education institutions in rural areas to promote skills development, entrepreneurship, and youth employment.

INSETA supports the ERRP through green skills development initiatives; TVET infrastructure (IT); rural development; and youth employment in partnership with insurance employers and public TVETs.

Chapter 3: Occupational Shortages and Skills Gaps

The Top 10 Sector Priority Occupations are Financial Investment Advisor, Insurance Agent, Insurance Broker, Actuary, Financial Markets Compliance Officer, Software Developer, Insurance Claims Administrator, Insurance Loss Adjuster, Financial Manager, Insurance Loss Adjuster, Sales and Marketing Manager, Systems Analyst.

The emerging occupations are BI analyst, Risk analyst, AI expert, data scientist, data analyst, cloud architect, cybersecurity specialist, u-x specialist, and drone pilot.

The Top 3 skills gaps: Management & leadership, project management, supervisory, problem-solving, and planning and organising (managers). Planning and organising, project management, problem-solving, technical (job specific), advanced it and software (professionals).

Chapter 4: SETA Partnerships

Partnerships increase training for unemployed learners in TVET programmes; enable rural communities to develop skills 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 strengthen skills in planning research outputs.

Chapter 5: Monitoring and Evaluation

INSETA monitors and evaluates project outcomes and indicators. A tracer study commissioned by INSETA about its impact programmes for 2018-2021 recommended promoting the industry to youth.

INSETA plans to address targets not achieved in the previous financial year.

6.2 KEY STRATEGIC SKILLS PRIORITY ACTIONS

6.2.1 Strengthen INSETA's Research Capacity for Sector Skills Planning

INSETA should strengthen its institutional labour market research capacity through university research partnerships. The research partnerships should address technology, skills planning, and insurance training. The research partnerships should increase research outputs; develop young and emerging researchers, especially from previously disadvantaged communities; and respond to insurance sector challenges. The INSETA Sector Skills Plan research should start one year before schedule to enable timely research studies.

6.2.2 Top 10 Sectoral Priority Occupations

The Top 10 sectoral priority occupations, emerging occupations and skills gaps (current and future) should be given funding priority. There should be projects related to these occupations and skills gaps. Funding for occupations should include bursaries, learnerships, and internships. Skills gaps should be addressed through short courses and micro-credentialing. INSETA should establish a training provider database to procure training services to address these skills gaps.

6.2.3 Internships

Some INSETA-funded graduates are unemployed or working in other sectors. It is a problem because insurance companies pay skills levies to assist these students in the hope of building a talent pipeline. Therefore, INSETA should partner with the YES programme to ensure graduates are deployed to insurance companies. There are just nine insurance companies affiliated with the YES programme, which should be increased.

6.2.4 Body of Knowledge

INSETA, in partnership with the University of the Witwatersrand, developed two modules on short-term insurance. The body of knowledge provides foundational knowledge in short-term insurance. It sets an industry standard and should be used by training providers. The modules should be distributed widely to all relevant insurance companies and training providers. Modules should be developed for long-term insurance.

6.2.5 Meeting Transformation Targets

INSETA is committed to increasing training and skills development opportunities for disadvantaged people, women and people with disabilities. There should be projects to support these groups and quotas for bursaries, internships and learnerships. All INSETA-funded projects should therefore prioritise Blacks (85%), women (54%), and persons with disabilities (4%).

6.2.6 Supporting Small Businesses, Rural Development and Co-operatives

Most employers in the insurance sector are small. These are mainly small financial advisory firms, intermediaries, and brokerages. INSETA should support SMMEs and co-operatives through planned interventions annually; these programmes are delivered through implementation partners throughout the sector.

The SMME support includes re-skilling and up-skilling with a major focus on digital literacy for small businesses. There should be programmes for rural communities, including learnerships, skills programmes, bursaries and special projects.

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 meeting CPD requirements; training in new regulations and better communication channels.

INSETA should conduct an exploratory study to assess the viability of a special stipend regimen for small businesses to improve talent retention. Worker bursary limits for small businesses will be included in the assessment for the same reasons.

6.2.7 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 to teachers and lecturers. There is a need for career guidance. The youth should know career pathways, learning programmes, and qualifications. INSETA is currently engaged in training Career Guidance Officers.

INSETA should invest in supporting career guidance, which is critical for skills development systems.

6.2.8 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).

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

6.2.9 Alignment to the Government's Economic Reconstruction and Recovery Plan

The ERRP is a strategic focus of INSETA. INSETA should extend skills development further through the ERRP.

INSETA should support training for green insurance, the digital economy and the YES programme. Interventions should include research; bursaries; career guidance; rural programmes; support TVET college system; and programmes to support trade unions. Priorities for these interventions should include occupations, relevant qualifications, enrolments, graduates, and the number of unemployed graduates.

The SETA response to ERRP should be based on four key activities:

- Access to targeted skills programmes to allow for immediate and short-term interventions.
- Access to work experience, including work-integrated learning and internship programmes.
- Funding short-term programmes and qualifications.
- Meeting demand as per sector priority occupations.

6.3 MEASURES IDENTIFIED TO SUPPORT THE CHANGE DRIVERS IDENTIFIED BY INSETA

Climate Change: Reskilling employees with green training courses directly linked to climate change in liability, underwriting, marketing, risk management regulations, investment pricing and asset risks.

COVID-19 Pandemics: Training financial intermediaries to sell products remotely.

Digital Transformation: Build digital skills in cyber-security, AI, machine learning, coding, programming, Big Data and data analytics.

Economy and ERRP: Upskilling and reskilling related to innovation in delivering 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 on the POPIA Act. Training on bills such as the Conduct of Financial Institutions (COFI).

6.4 CONCLUSION

The SSP addresses the NSDP (2030) outcomes: identifying and increasing production of occupations in high demand; linking education and the workplace; improving the level of skills in the workforce; increasing access to occupationally directed programmes; supporting the growth of TVET Colleges and CET Colleges; support entrepreneurship and co-operative development; supporting worker initiated training; and supporting career development services.

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