



Sector Skills Plan

2020-2021

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FOREWORD

The INSETA Sector Skills Plan (SSP) for 2020-2021 is updated at a turning point in modern history. The COVID-19 pandemic is changing the way we live, play, work, study, behave and interact. It is sending global markets into a tailspin. The scale, speed and intensity of economic destruction is unprecedented.

In South Africa, the COVID-19 pandemic is leading to economic shocks in supply and demand, an upsurge in unemployment insurance claims, tax revenue decline, public budget cuts, disruption of industries, job destruction, food shortages, and distressed communities. Unemployment is expected to increase to 50% (narrow definition) and about 70% (broad definition). Youth unemployment will be higher. The majority of the active labour force will be without work. GDP is expected to contract between 6% and 16%. Employers are downsizing in pursuit of keeping businesses afloat. These are the new realities that impact on skills planning sector wide.

Even though the SSP is meant to be an update, COVID-19 necessitates major changes in the plan. COVID-19 and lockdown has been incorporated in skills development in the insurance sector to make the plan responsive to a rapidly changing environment. The SSP aligns with the National Development Plan (NDP) which underpins the government's priority of reducing unemployment, combating inequality, and alleviating poverty.

“Occupational shortages and skills gaps” have been incorporated according to the new DHET requirements. A Sectoral Priority Occupations List, containing the Top 10 occupations in the insurance sector, is included in this report. The Continuous Improvement Plan (CIP) is updated.

In Chapter Four, the research partnerships between the INSETA and University of Witwatersrand, University of Cape Town and Durban University of Technology is discussed which intends to give a new impetus to the research agenda of the INSETA.

Our Skills Planning and Research Division is strengthened with the appointment of an experienced data analyst through a university research partner. The aim is to make the 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

ACRONYMS

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

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

Chapter One provides an economic and labour market profile of the insurance sector. The COVID-19 pandemic is affecting the economy adversely. It is a simultaneous health, economic, education and social crises. The lockdown, which took effect from the 27 March 2020, has led to a sharp slowdown in economic activity. The economy, which was weak before the pandemic, has been hit by interlocking shocks to supply and demand.

South Africa's aggregate GDP performance between 2010-2018 averaged 1.8%. It is below sub-Saharan Africa, developing countries and the world average. Growth slowed in 2019 to 0.2%. The forecast for 2020 is a sharp decline in -6.1% (SARB), rebounding to 2.2% in 2021. The IMF is somewhat optimistic about our prospects and sees a drop of -5.8% in 2020 with a rebound of 4% in 2021.

The labour market was in crisis before the COVID-19 pandemic. The narrow unemployment rate trended upwards from 23.5% in the Q1:2008 to 30.1% in Q1:2020. The number of unemployed people in South Africa increased from 4.4 million in Q4:2009 to 6.7 million. It trended upwards to 7.1 million in Q1:2020. The corresponding figures for expanded unemployment grew from 38.7% to 39.7%. Approximately 8.2 million (40.1%) out of 20.4 million young people aged 15-34 years are not in employment, education or training (NEET). The unemployment rate is on an upward trajectory.

The National Treasury predicts a further 3 million job losses in a quick recovery; 5 million in a slow recovery; and 7 million in a long recovery. Some forecasters predict that unemployment will reach 50%.

Chapter Two identifies key skills change drivers in the sector. These are digital transformation, COVID-19, climate change, economy, regulatory environment and remote working.

Before the pandemic, a shift towards digitisation of the economy was underway. Current events have accelerated the shift. The pandemic is a reality check for businesses that are reluctant to embrace digitisation. These digital laggards are scrambling to migrate their operations and workforce to a virtual environment.

Climate change is one of the most significant challenges facing the insurance sector. Reskilling is required for liability, underwriting, marketing, risk management, regulations, investment, strategic, operational, reputational, pricing, and asset risks.

The COVID-19 pandemic is impacting on the insurance sector in multiple ways. A priority is to protect the health and safety of employees and their intermediaries. Insurers are reviewing their disaster management plans and taking steps to service clients with minimum disruption.

The COVID-19 crisis has emptied office blocks. Insurers are moving to work-from-home mode. There is a change from employer "presenteeism" to "achievement". Since staff are working from home, firms are making arrangements for remote working.

The *Insurance Act* took effect effective from 01 July 2018 and replaces the *Long-term and Short-term Insurance Acts*. Industry stakeholders need training in the new legislation.

Insurers cannot increase staff due to a weak economy. Therefore, they need to retrain and repurpose employees, particularly those impacted by technology. There is a major shift to online short courses.

Chapter Three presents the Sectoral Priority Occupations List. The following are the Top 10 occupations on the list: compliance officer, ICT systems analyst, software developer, developer programmer, insurance loss adjuster, sales and marketing manager, insurance broker, insurance claims administrator, actuary and insurance agent.

Chapter Four discusses sector partnerships. The current partnerships are increasing training for unemployed learners; enabling rural communities access skills development through learnerships; developing occupational qualification; conducting tracer studies; SMME development; partnering with public TVET Colleges to develop lecturer capacity.

The university research partners (WITS, UCT and DUT) are working with the INSETA to increase research outputs in the insurance sector. The partners are conducting research in the gig economy, job shifts and job mobility, COVID-19 and 4IR on the workforce, occupational mapping of top 10 sector priority occupations, the impact study of INSETA training investments, 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.

Chapter Six outlines 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 business, rural development and cooperatives; build career guidance; support national strategies and plans.

Nadia Starr
Chief Executive Officer

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RESEARCH PROCESS AND METHODS

The INSETA conducted research and data analysis for this SSP 2020-2021. 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 (2020-2021)

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of Data Sources	Time Frame
Skills availability and transformation in the Insurance Sector	Qualitative/ Quantitative	<ul style="list-style-type: none"> Determine the status of transformation in the sector. Identify skills demand and supply. Devise a list of the top ten priority occupations in the sector. Emphasise occupations offering job openings. Identify gaps between existing qualifications and the skills required by employers. Define industry expectations for addressing skills gaps. 	<ul style="list-style-type: none"> Desktop Research Interviews Workshops Employer Survey 	<ul style="list-style-type: none"> 500 representatives of large and medium companies. 4 000 small and micro-enterprises. 	<ul style="list-style-type: none"> 2018/19 WSP ATR data Industry databases Statistics SA 	March 2020 – July 2020

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of data sources	Time frame
Employer Survey	Quantitative	Determine the impact of COVID-19 on insurance companies from a skills development perspective.	Survey (online)	All companies submitting WSP/ATRs (608)	List of levy-paying Employers	Annually
Tracer Study	Qualitative/ Quantitative	Measure graduate destinations for learnerships, internships and bursaries.	Questionnaire		Learners were enrolled in learnerships, internships and bursaries.	September 2020
The impact of 4.0 on the insurance sector	Qualitative	This study identified the technological changes unfolding in the insurance sector and its impact on companies and employees.	Literature review	Not applicable	Trade publications	July 2019
Skills supply, demand and mismatches	Literature review	The study has three aspects: demand, supply and mismatches of occupations.	<ul style="list-style-type: none"> Database analysis Workshops Questionnaire 	All levy-paying employers that submitted WSP/ATRs (608).	INSETA database	July 2020

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of data sources	Time frame
The potential impact of the National Health Insurance on the insurance sector	Literature review	Determine the impact of NHI on the industry sector.	Database analysis Literature review	Not applicable	NHI literature	August 2019
Technology (DUT)	Qualitative/ Quantitative	Impact of the Platform Economy or Gig Economy on the Insurance Sector and regulatory Labour Framework	Literature review Survey	n/a	Various literature sources	Dec 2020
Occupations (DUT)	Qualitative/ Quantitative	Jobs to Occupations Analysis in the Insurance Sector	Literature review Survey	n/a	Various literature sources	Dec 2020
Technology (UCT)	Qualitative/ Quantitative	Potential Impact of 4IR on INSETA Workforce	Literature review Survey	n/a	Various literature sources	Dec 2020
Labour market (UCT)	Qualitative/ Quantitative	Job quality in INSETA firms	Literature review Survey	n/a	Various literature sources	Dec 2020

Topic	Study Design	Objectives of the Study	Data Collection Tools	Sample Size	List of data sources	Time frame
Urban Econ	Qualitative/ Quantitative	Tracer Studies: -Learnerships -Internships -bursaries	Survey	Between 150 and 300 participants based on study	Survey	July 2019

NOTE: Data was drawn from 1104 employers that submitted a WSP/ATR for 2020/2021:

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

Enterprises	2015/16 submissions	2016/17 submissions	2017/18 submissions	2018/2019 submissions	2018/2019 submissions
Large levy-paying Employers (150+ employees)	87	67	126	71	227
Medium levy-paying Employers (50 – 149 employees)	81	102	135	95	132
Small levy-paying Employees (1 – 49 employees)	879	448	701	442	745
Total	1047	617	962	608	1104

Source: INSETA Database (2019)

Research methods employed:

- Zoom meetings with sector stakeholders.
- Interviews with key sector role-players.
- Survey of insurance employers.
- PESTEL analysis of the sector.
- Training readiness survey.

Conclusion

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

CHAPTER ONE: SECTOR PROFILE

1.1 INTRODUCTION

Chapter One presents an economic and labour market profile of the insurance sector. It describes the scope of coverage and identifies key role-players in the sector. The data to establish the sector profile is obtained from Statistics South Africa's Quarterly Labour Force Survey (QLFS), the Workplace Skills Plan/Annual Training Report 2020-2021, employer survey, trade publications and national strategies.

1.2 SCOPE OF COVERAGE

INSETA's scope of coverage is the following:

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

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

Source: INSETA

The above scope of industrial activities forms three major categories:

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

1.3 KEY ROLE-PLAYERS

The sector has professional bodies, industry associations, financial service companies, trade unions and regulatory bodies that support an insurance sub-sector, professionals, and employers. The sector is made up of Professional Bodies, Industry Associations, Financial Service Companies, Trade Unions and Regulatory Bodies that regulate the services of and support the insurance sector, its professionals, and clients. Each of these role players has a link to the NSDP Outcomes as depicted in the table below:

Table 4: Key role-players in the insurance sector

Key Role-Players		NSDP OUTCOMES AND LINKAGES
Financial Sector Conduct Authority (FSCA)	Financial Sector Conduct Authority is a market conduct regulator for the South African financial services sector. The regulatory reform of the FSCA has skills development implications for compliance of employees, employers, skills development providers accredited by INSETA and others offering training to the insurance sector. These groups must come together with the FSCA to bring the content of training interventions up to date with regulations.	Outcomes: 1, 3
Prudential Authority (PA)	The twin peaks model reforms the regulatory and supervisory landscape for the financial sector. The Prudential Authority, located in the SARB, regulates financial soundness of financial institutions. The regulatory reforms of the PA have skills development implications for employees, employers, training providers and the INSETA. Training interventions are needed to bring these groups up to date with regulations.	Outcomes: 1, 3
Institute of Loss Adjusters (ILA)	ILA controls the professional standards and conduct of Loss Adjusters through a code of conduct and a disciplinary procedure. ILA advises INSETA on the development of new qualifications relating to claims assessment.	Outcomes: 1, 2, 3, 4 and 8.
Financial Planning Institute (FPI)	FPI is a South African Qualifications Authority recognised professional association for financial planners in South Africa. It is the only institution in South Africa to offer the CFP® certification, as well as an approved examination body for the FAIS Regulatory Examinations. FPI advises INSETA on the development of new qualifications relating to financial planning.	Outcomes: 1 to 8
Council of Retirement Funds for South Africa (BATSETA)	BATSETA is a non-profit organisation, managed by a Board of Directors, that looks after the interests of Principal Officers, trustees, and fund fiduciaries in the retirement industry. BATSETA advises INSETA on the development of new qualifications relating to long-term insurance.	Outcomes: 1 to 8
Insurance Institute of South Africa (IISA)	IISA is a professional membership institute for the South African short-term insurance industry. The Institute's vision is to help create "World-class skills for a world-class industry" by promoting skills development and professional conduct among its membership. IISA assists INSETA with graduate placements and internships.	Outcomes: 1 to 8
The South African Insurance Association (SAIA)	SAIA is the representative body of the short-term insurance industry. It represents the industry to all relevant stakeholders to ensure a sustainable and dynamic industry. SAIA's members comprise all categories of short-term insurers, including reinsurers. SAIA assists INSETA with graduate placements and internships.	Outcomes: 1 to 8
Financial Intermediaries Association (FIA)	FIA represents South Africa's independent brokers, including large and medium-sized brokerages and individual financial intermediaries. FIA provides insights into the skills development needs of its membership.	Outcomes: 1 to 8
Association for Savings and	ASISA represents the majority of the country's asset managers, collective investment scheme management companies, linked investment service providers, multi-managers and life insurance	Outcomes: 1 to 8

Key Role-Players		NSDP OUTCOMES AND LINKAGES
Investment South Africa (ASISA)	companies. ASISA provides insights into the skills development needs of its membership.	
The Black Brokers Forum (BBF)	BBF is a representative body for black financial advisers. BBF provides insights into the skills development needs of its membership.	Outcomes: 1 to 8
Black Insurance Advisors Council (BIAC)	BIAC's main objectives are to provide the insurance industry with skilled, informed, fit and proper financial services providers. The secondary objective is to work in collaboration with other insurance industry organisations and statutory institutions to address issues affecting the insurance industry. BIAC provides insights into the skills development needs of its membership.	Outcomes: 1 to 8
South African Underwriting Managers Association (SAUMA)	SAUMA protects the rights of the underwriter within their relevant industry. It provides insights into the skills development needs of its membership.	Outcomes: 1 to 8
Board of Healthcare Funders	BHF's motto is "Serving medical scheme members" guides how BHF fulfils its function of a representative body of the healthcare funding industry. BHF provides insights into the skills development needs in the healthcare industry.	Outcomes: 1 to 8
South African Federation of Burial Societies (SAFBS)	SAFOBS oversees the coordination, training and education of burial societies and their staff. SAFOBS provides insights into the skills development needs of its membership.	Outcomes: 1 to 8
Burial Society of South Africa (BSSA)	BUSOSA assists the Burial Society business to create sustainability and to provide education and training for entry into the industry. BUSOSA provides insights into the skills development needs of its membership.	
South African Reserve Bank (SARB)	SARB protects the value of South Africa's currency. In discharging this role, it takes responsibility for informing the South African community and all stakeholders abroad about monetary policy and the South African economic situation. Data from the SARB national accounts are used for skills planning research.	Outcomes: 1, 2, 3 and 7
Statistics South Africa	Statistics SA is the national public agency for the dissemination of official statistics on South Africa. The statistical findings of the agency are used for all research work by INSETA.	Outcomes: 1 and 7
National Skills Development Plan (NSDP) Key:		
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

The COVID-19 pandemic has led to a global economic recession. Its extent and duration are uncertain. Economic models are wholly unsuited to make accurate forecasts in a rapidly changing and uncertain world.

1.4.1 Gross Domestic Product

The COVID-19 pandemic is having a devastating impact on the South African economy. It is a simultaneous health, economic, education and social crisis. The lockdown which took effect on the 27 March 2020 has led to a sharp downturn in economic activity. The economy, which was already weak before the pandemic, has been hit by interlocking shocks to supply and demand.

Table 5: GDP growth forecasts

Region/Country	Actual	Forecast		
	2010-2018	2019	2020 ¹	2021
World	3.8	2.9	-3.0	5.8
Developing countries	5.2	3.7	-1.0	6.6
Sub-Saharan Africa	4.2	3.1	-1.6	4.1
South Africa (South African Reserve Bank)	1.8	0.2	-6.1	2.2
South Africa (International Monetary Fund)	1.8	0.2	-5.8	4.0

Source: IMF World Economic Outlook, April 2020; South African Reserve Bank

South Africa's aggregate GDP performance between 2010-2018 averaged 1.8%. It is below sub-Saharan Africa, developing countries and the world averages. Growth slowed in 2019 to 0.2%. The forecast for 2020 is a sharp decline in -6.1% (SARB), rebounding to 2.2% in 2021. The IMF is somewhat optimistic about our prospects and sees a drop of -5.8% in 2020 with a rebound of 4% in 2021.²

Negative GDP growth translates into high borrowing costs, constrained social spending, reduced supply-side capacity, lower household incomes, a flight of foreign direct investment, poverty, inequality, and unemployment.

1.4.2 Tax Revenue

The Commissioner of the South African Revenue Services (SARS), Edward Kieswetter, has warned that the combined impact of SA's struggling economy and lockdown would translate to a loss of about R285 billion in tax revenues this year. He mentions that *"While it is early days, our revenue losses could be peaking at between 15% and 20% lower [than projections]."*

¹ Forecasts

² National Treasury. 2020. Economic measures for COVID-19, May. South Africa.

That translates to a revenue loss of up to R285 billion." A loss of R285 billion in revenues would be larger than the R229.7 billion budget allocated for SA's public health sector for 2020.³ A "big hole" is projected in the national budget at a time when National Health Insurance (NHI) is needed.

1.4.3 Downgrade

South Africa's sovereign credit rating was downgraded to junk status by all rating agencies at the end of March 2020. The rating agency, Moody's cut South Africa's rating to sub-investment grade means that the country has a junk rating from all major international rating agencies.

Moody's cited the deterioration in SA's fiscal strength and "structurally very weak growth, unreliable electricity supply, uncertainty over property rights, persistent weak business confidence and investment as well as long-standing structural labour market rigidities" for its decision to lower the country's rating. Fitch and S&P downgraded SA to junk in 2017.⁴ The country will exit from the World Government Bond Index, thus raising the cost of borrowing.

1.4.4 Sector Scenarios

The potential impact of COVID-19 on the economy:

Table 6: Sector Impacts

Sector	Direct ⁵	Total ⁶	Direct	Total
Agriculture, forestry & fishing	-0.4	-3.9		
Mining & quarrying	-5.2	-4.6		
Manufacturing	-5.1	-7.3		
Electricity, gas, water	-0.2	-4.2		
Construction	-11.9	-14.2		
Trade, Catering & Accommodation	-1.1	-4.9		
Transport, Storage & Communication	-3.2	-4.5		
Finance, Insurance, Business Services & Real Estate	-2.0	-6.6		
Government	-0.3	-1.4		
Personal Services	-6.0	-3.7		
The sector affected by a severe contraction				
The sector affected by a mild contraction				
The sector affected by a small contraction				

Source: SA-TIED Report, April 2020

The first-round effects on the insurance sector is expected to be mild, but the full impact will be severe. Since all sector purchase insurance products, the full impact will be revealed later.

³ Cronje, J & Magubane, K. Lockdown, Stalled economy could mean tax loss of up to R285bn – Kieswetter, 05 May 2020. Accessed at: <https://www.fin24.com/Economy/South-Africa/lockdown-stalled-economy-could-mean-tax-loss-of-up-to-r285bn-kieswetter-20200505>

⁴ Cronje, J, Moody's cuts South Africa's credit rating to junk, 27 March 2020. Accessed at: <https://m.fin24.com/Economy/just-in-moodys-cuts-south-africas-credit-rating-to-junk-20200327>

⁵ refers to first-round effects

⁶ refers to the full impact

The insurance sector impact of contraction is the following:

Labour	Retrenchments, short-time, and wage cuts
Business	Closures, downsizing, productivity losses, and declining demand
Communities	Loss of income, disease burden, high mortality, and poverty
Government	The budget shortfall, reprioritization, and higher borrowing costs

1.4.5 Insurance Economic Outlook

The Insurance Information Institute reported that *“the COVID-19’s impact on global growth and the insurance industry is likely deeper and wider than the current consensus and could last well into the 3rd quarter and beyond”*.⁷

The economic impact of COVID-19 will be specific to the classes of business an insurer underwrites, their pricing and wordings, and reinsurance coverages. Falling equity markets and interest rates will put pressure on insurers’ balance sheets, profitability and management fees. Reinsurers and brokers with well-diversified risk portfolios are more likely to be insulated from COVID-19 losses. Conversely, those with a high concentration of businesses that are exposed to the coronavirus are adversely affected.

There are also fears that the industry may experience a spike in policy lapses as unemployment increases.

1.5 LABOUR MARKET PROFILE

The effects of the COVID-19 pandemic on the labour market are apparent. The Unemployment Insurance Fund (UIF) is facing a strong uptake in UIF claims from retrenched workers and applications from employers for COVID-19 relief for furloughed employees. The scale and speed of these claims are unprecedented and has put the UIF system under intense pressure.

1.5.1 Data Constraints

The Quarterly Labour Force Survey (QLFS) produced by Statistics South Africa (StatsSA) is widely used to develop SSPs. The QLFS Q1 2020 was expected to be released in June 2020. However, field operations for the collection of QLFS data stopped on the 20 March 2020. The next steps are unclear. The lockdown is a huge obstacle to collect data through fieldwork when there is an increased demand for information. The full impacts of COVID-19 on the labour market will only be known at a later stage.

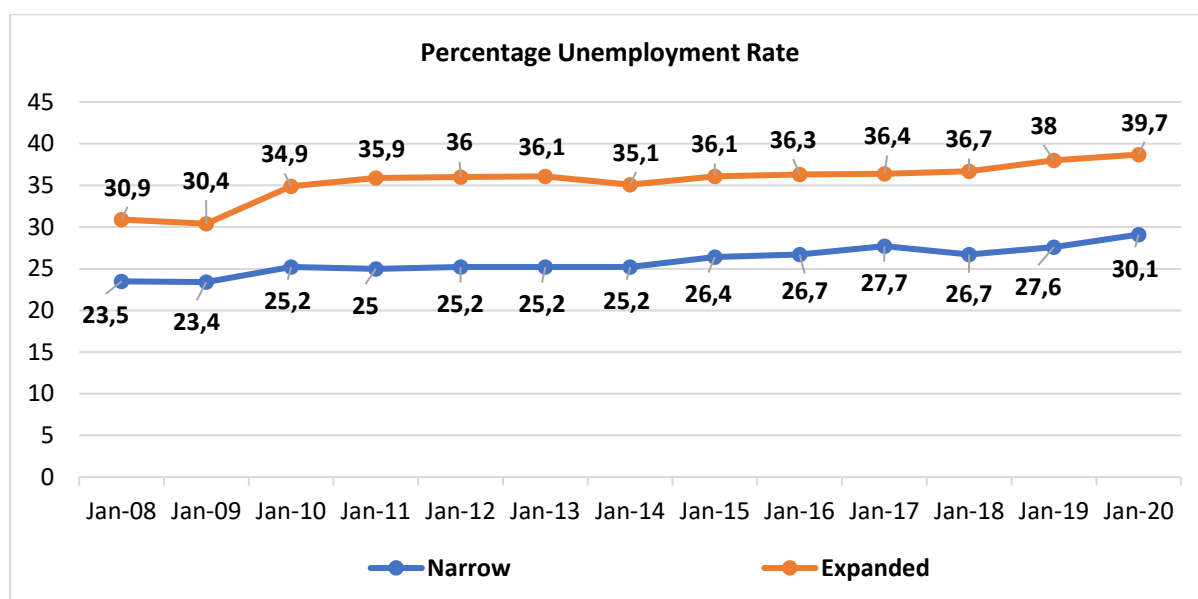
1.5.2 Unemployment

The labour market was in distress before the COVID-19 pandemic. COVID-19 is increasing unemployment. SA's narrow and expanded unemployment⁸ rates pre-COVID-19 is illustrated:

⁷ Insurance Information Institute, Global macro and insurance outlook, 04 March 2020.

⁸ Narrow unemployment excludes discouraged work-seekers, and expanded unemployment includes discouraged work-seekers. The former is the official definition used in national accounts.

Figure 1: Unemployment rate



Source: Statistics SA – QLF Survey 2008-2020

The narrow unemployment rate trended upwards from 23.5% in the Q1:2008 to 30.1% in Q1:2020. Some forecasters predict that unemployment will reach 50%. The number of unemployed people in South Africa increased from 4.4 million in Q4:2009 to 7.1 million in Q1:2020. The corresponding figures for expanded unemployment grew from 30.9% to 39.7%. The unemployment rate is on an upward trajectory.⁹

Approximately 8,2 million (40,1%) out of 20.4 million young people aged 15-34 years are not in employment, education or training (NEET).¹⁰

The INSETA should play a bigger role with addressing unemployment, especially for the youth. Programmes should be initiated to encourage employers to register more unemployed learners on learnership and other work-based programmes.

COVID-19 is leading to a meltdown of the labour market. As unemployment in the sector increases, the INSETA should enable distressed firms and employees access the benefits of the Training Layoff Scheme.

1.5.3 Insurance Sector

We draw statistics from the Workplace Skills Plan (2020-2021) to profile the insurance sector labour market.

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

⁹ Statistics SA. Quarterly Labour Force Survey Q1: 2008 to Q4:2019.

¹⁰ Ibid

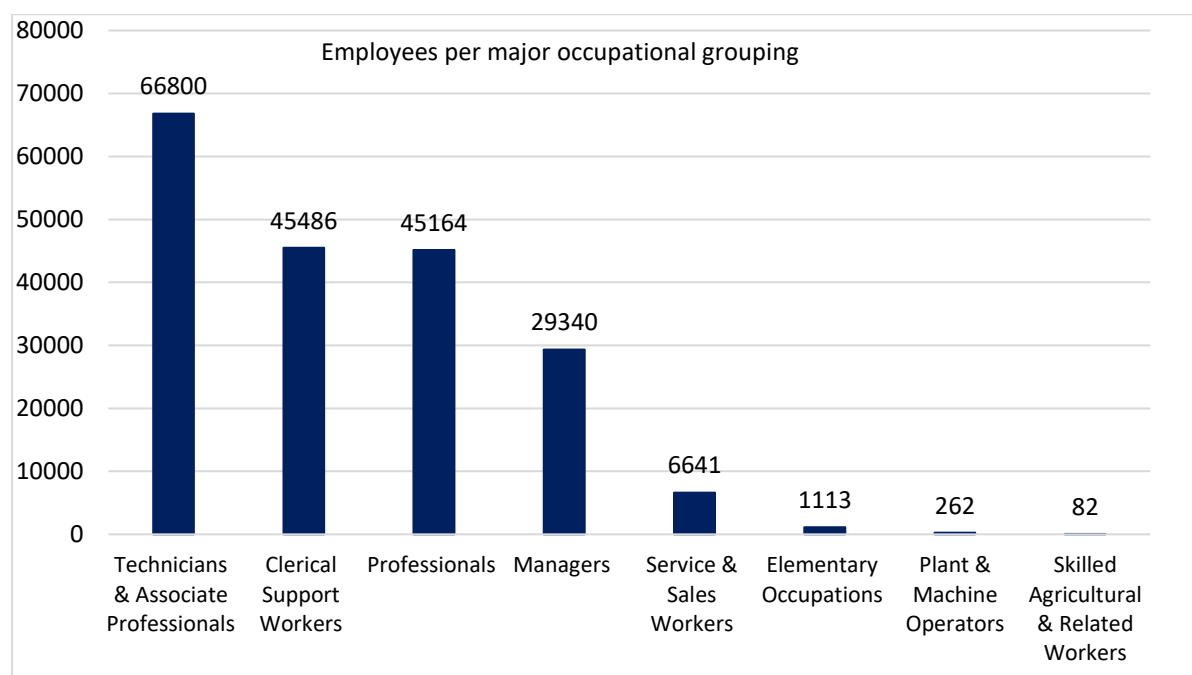
Table 7: Number of employees (2010-2018)

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

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

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

Share of Employment: The figure shows percentage changes in the share of employment by major occupation categories in the insurance sector for 2019. The total workforce size is 194 888.

Figure 2: Percentage of employment per occupational grouping (2010-2019)

Source: WSP 2010-2019

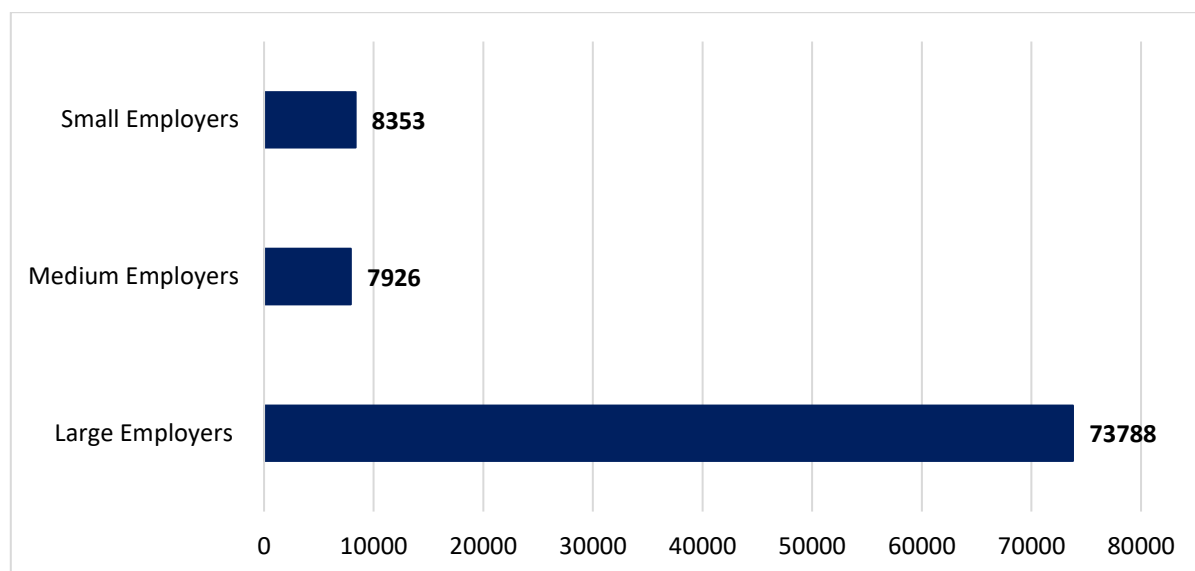
Technicians and associate professionals comprise (32%) and professionals (23%) of the workforce. These are IT workers and professionals in the insurance sector. Middle-level workers such as clerks and sales and service workers are replaced by technology such as artificial intelligence (AI), social media, digitisation, and other IT enablers. Middle-level occupations are hollowed out of the sector.

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

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

Employee Distribution: According to the Workplace Skills Plans for 2020-2021 received from insurance companies, the distribution of employees by company size is as follows:

Figure 3: Employees by company size

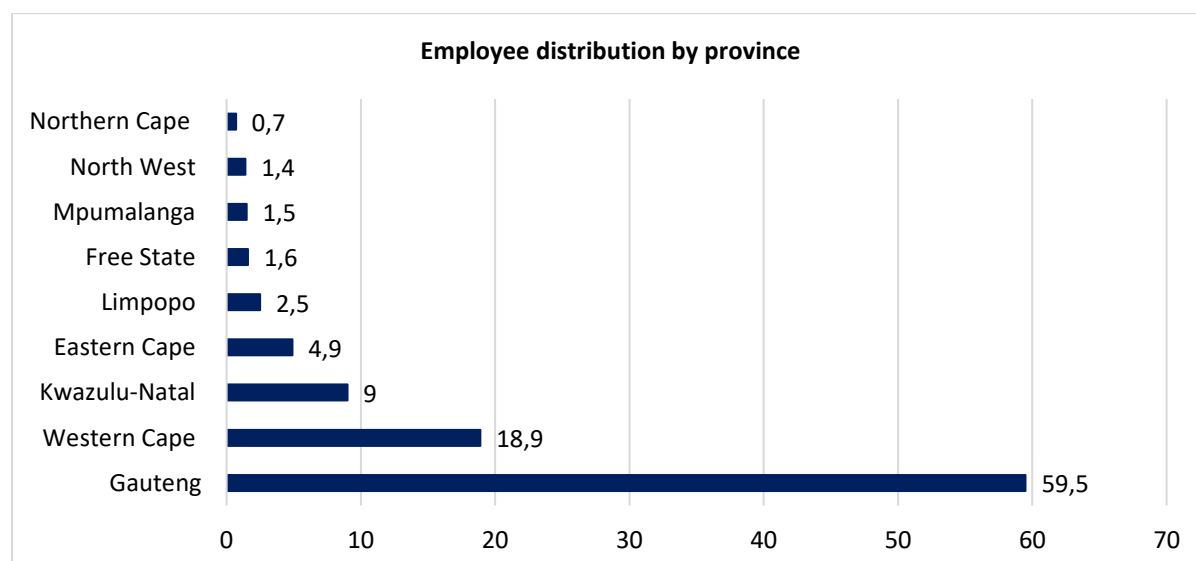


Source: WSP 2020-2021

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

The distribution of employees by province is as follows:

Figure 4: Employee distribution by the province in percentages

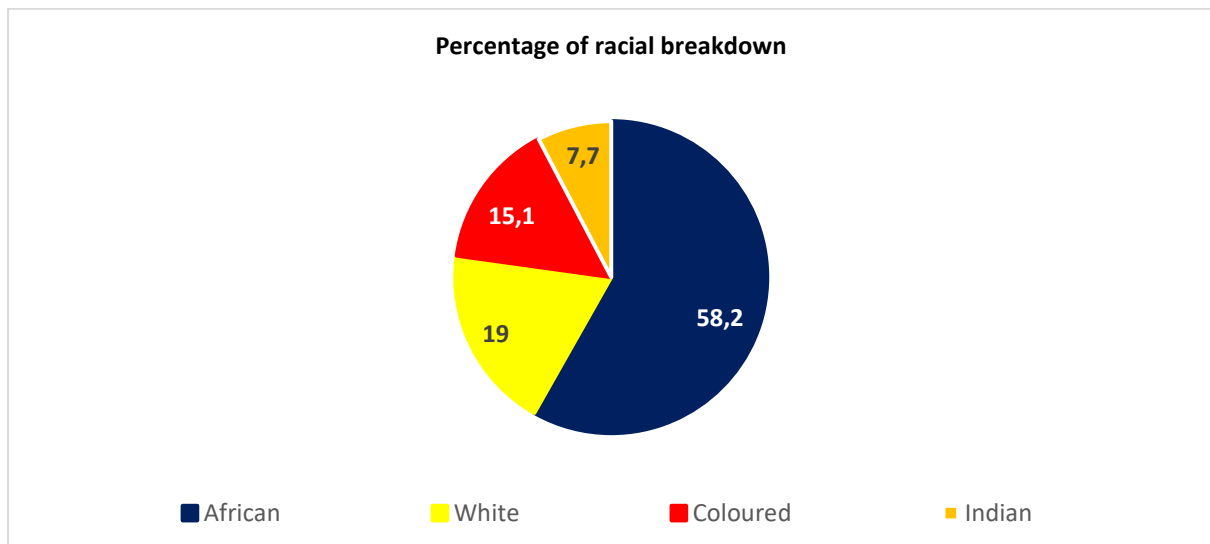


Source: WSP 2020-2021

About 59.5% of insurance employees are located in Gauteng, 18.9% in the Western Cape, 9% in KZN, and 4.9% in the Eastern Cape. These provinces make up 92.7% of the workforce. It is a highly concentrated sector. The remaining provinces are made up of intermediaries and small brokerages that are served from the Head Office, which is mostly in Cape Town.

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

Figure 5: Percentage of the racial breakdown

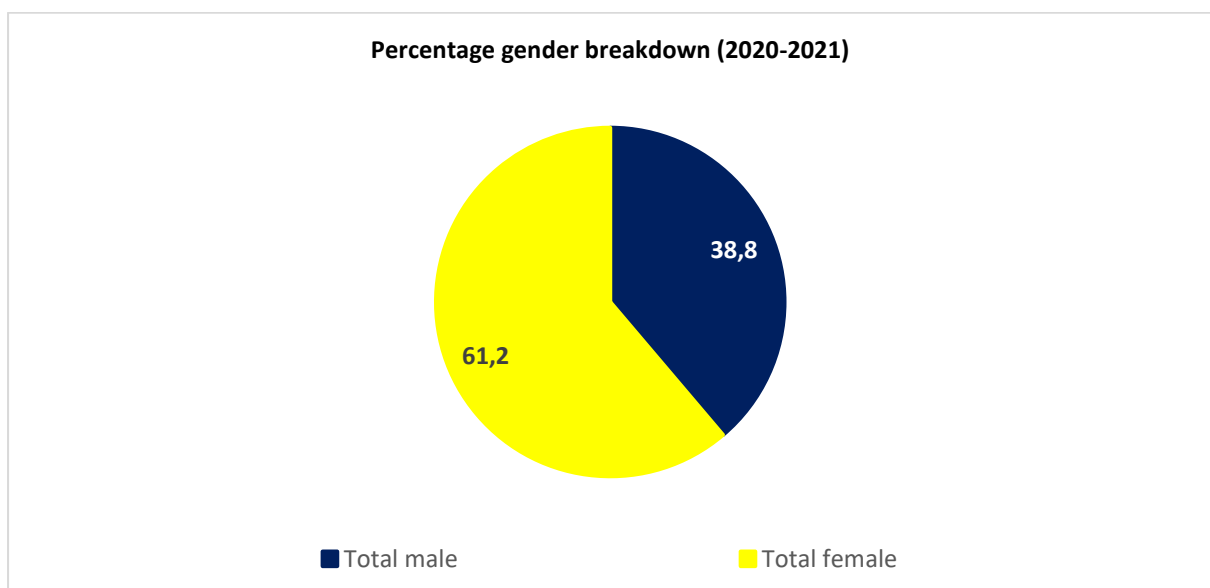


Source: WSP 2020-2021

The percentage of Black employees in the sector is 81% (Africans, Coloureds, and Indians). This is an increase from 75,4% in the previous year – a 5.6% y-o-y increase. This is evidence that the sector is moving in the right direction in terms of employment equity and transformation.

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

Figure 6: Percentage of gender breakdown

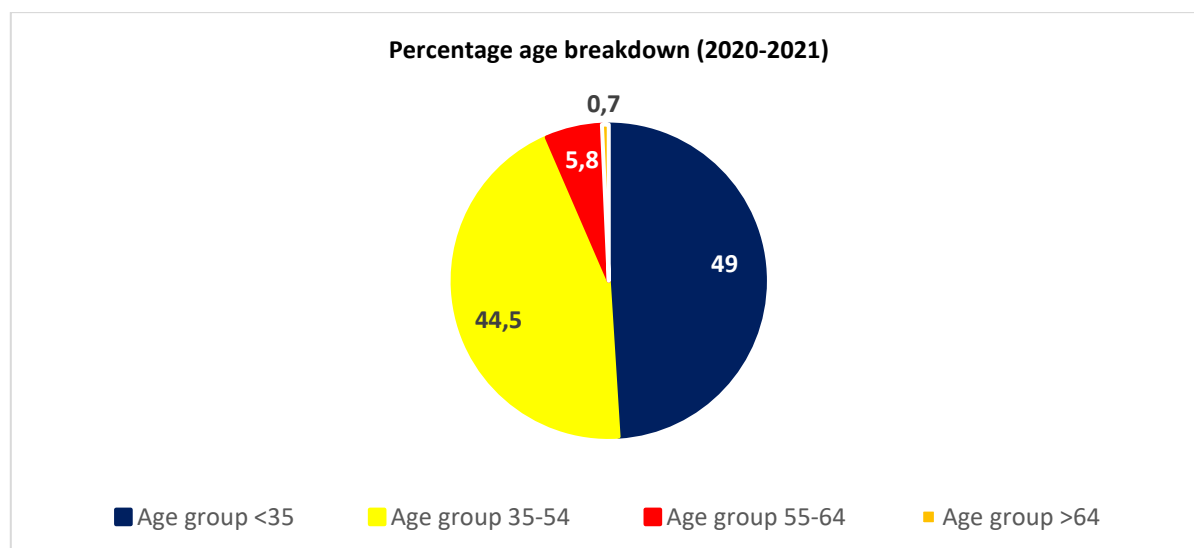


Source: WSP 2020-2021

In terms of gender, the females make up 61.2% of the sector compared to 38.8% males. The norm is 54% females, so the sector has a majority of females and above the threshold. In later sections, these will be broken down by occupational levels to capture the nuances in gender.

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

Figure 7: Percentage age breakdown

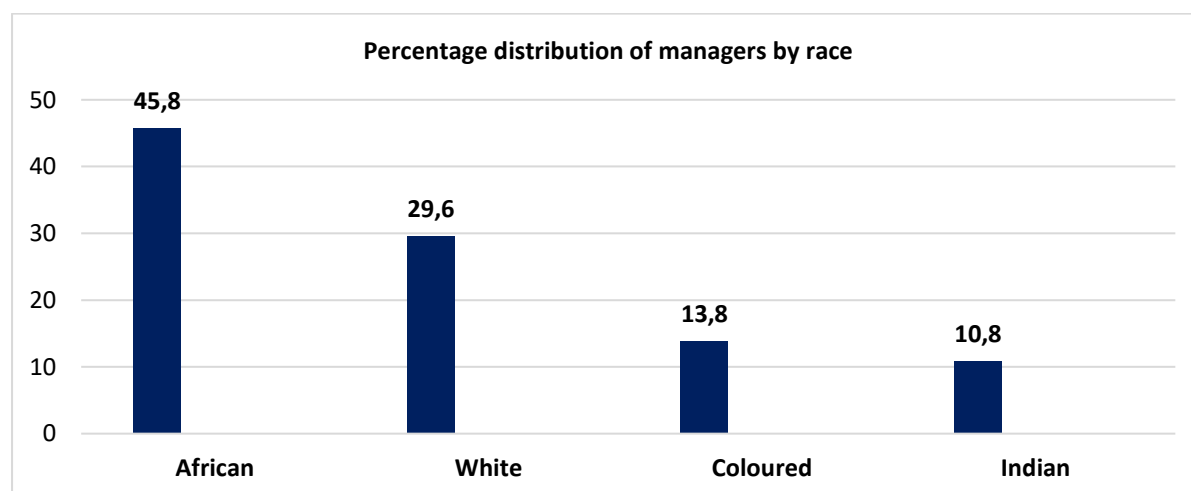


Source: WSP 2020-2021

Almost half of the workforce is under 35 years. With a large youth component in the workforce, firms should be sensitive to their behavioural and emotional needs. Their thinking is somewhat different from the baby-boomers generation on technology, work-life balance, rewards, interests, attitudes, and relationships.

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

Figure 8: Distribution of managers by race group



Source: WSP 2020-2021

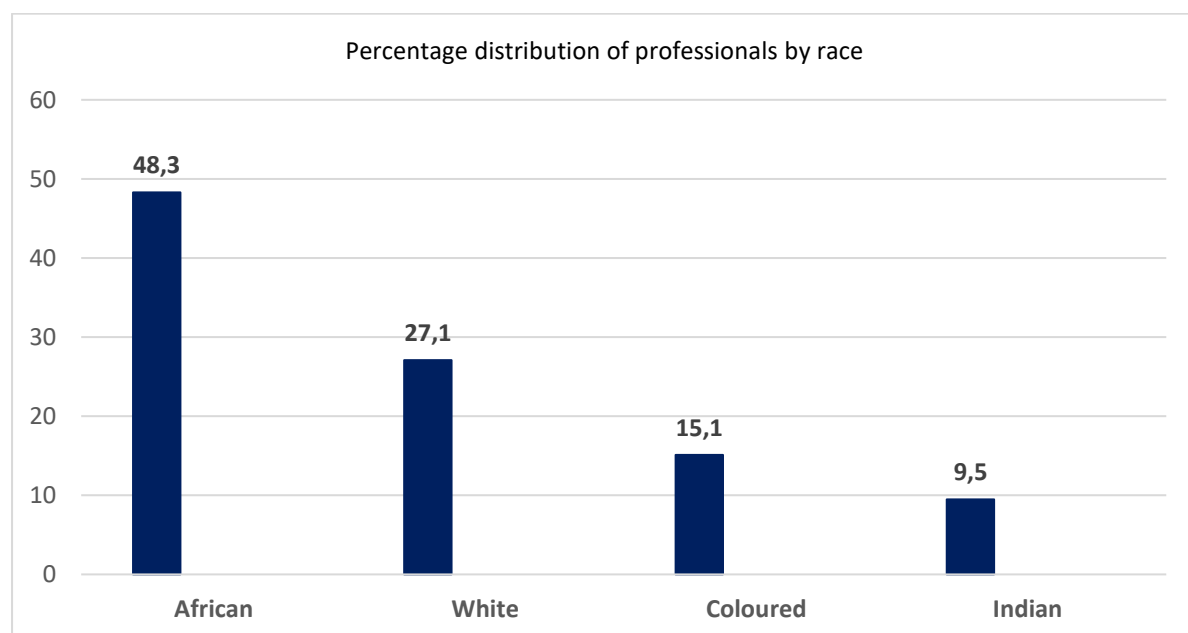
Africans comprised 31.7% of the sector in 2019. This has increased by 14.1% to 45.8% in 2020. It is a very significant improvement at the manager level. Indians also improved from 10.8% to 13.3% for the period.

There was a 0.8% decrease in the number of Coloureds to 13%, while Whites recorded a decrease from 42% in 2019 to 29.6%. This is evidence that transformation is taking place in the sector.

Historically, Africans comprised a small percentage at the managerial level. Over many years, this has progressively increased. They are now in the majority at this level. Africans are obtaining manager positions in the sector.

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

Figure 9: Distribution of professionals by race group

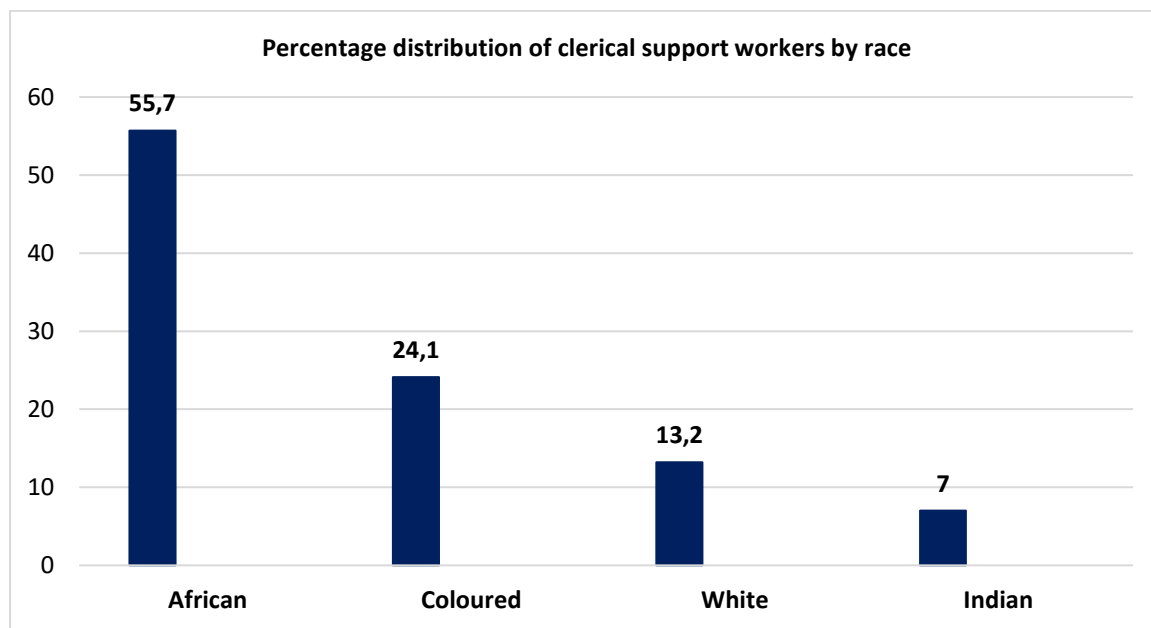


Source: WSP 2020-2021

The percentage of Africans increased from 41.6% to 48.3% annually. This is a 6.7% increase y-o-y. Whites decreased from 32.7% to 27.1%. Coloureds increased to 15.1% from 13.7%, and Indians decreased to 9.5% from 12% annually. There is evidence of demographic transformation in the sector.

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

Figure 10: Distribution of clerical workers by race group

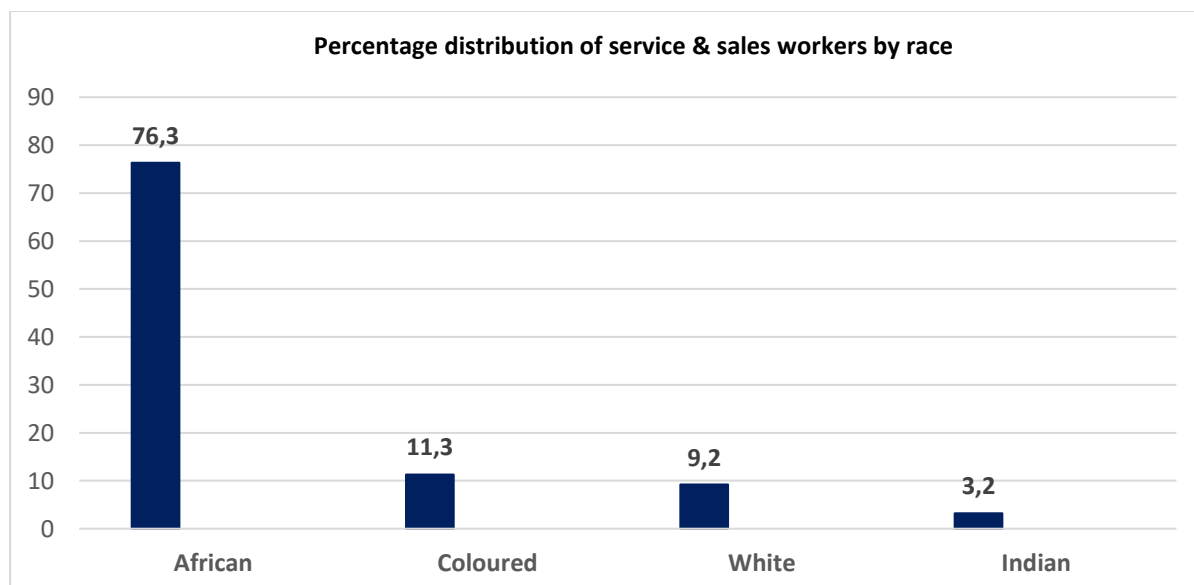


Source: WSP 2020-2021

The percentage of Africans increased from 50.3% to 55.7% annually. This represents a 5.4% increase y-o-y. Whites decreased from 17.7% to 13.2%. Coloureds increased to 24.1% from 22.4%, and Indians decreased to 7% from 9.6% annually. The majority of clerical workers in the sector are Africans, followed by Coloureds and Whites. Hence, there is evidence of transformation at this level.

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

Figure 11: Percentage distribution of services and sales workers by race group



Source: WSP 2019-2020

The percentage of Africans increased from 65.7% to 76.3% annually. Whites decreased from 14% to 9.2%. Coloureds decreased to 11.3% from 13.5%, and Indians decreased to 6.8% to 3.2% annually.

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

Table 8: Transformation imperatives

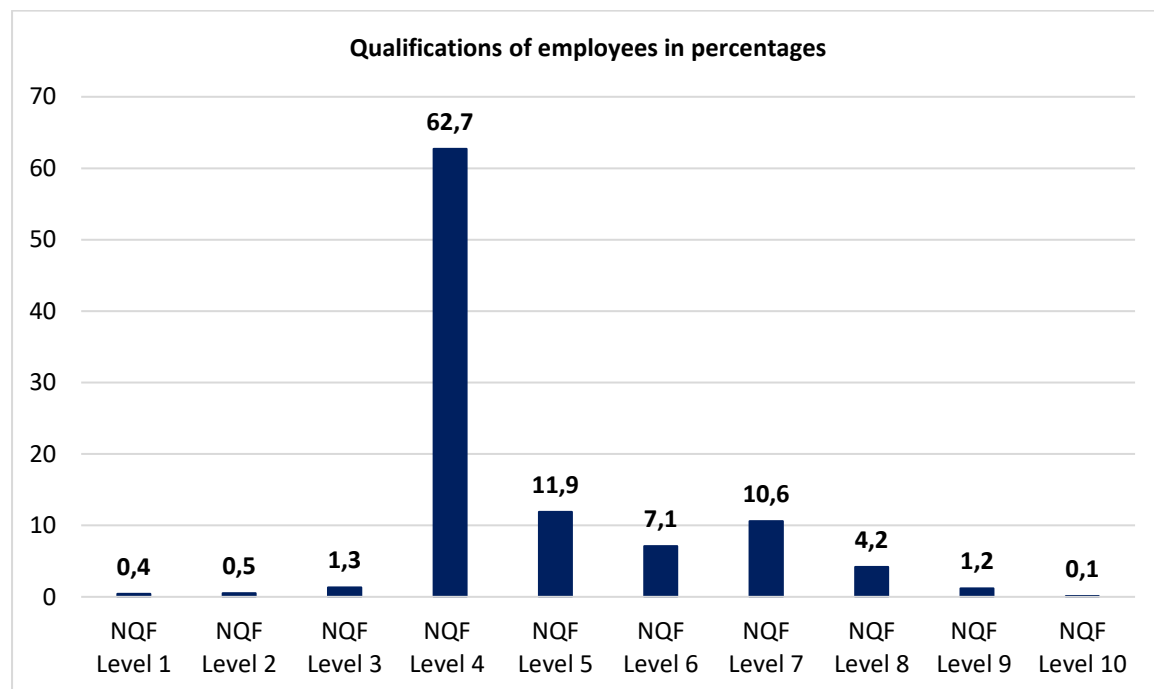
Year	African	Coloured	Indian	White
2019-2020	51%	14.6%	9.8%	24.5%
2020-2021	60%	14.1%	7.9%	18.0%

Source: WSP 2019-2020

82% of Blacks who were trained in the insurance sector compared to 75.4% the previous year. The target set by NSDS III is 85% for Blacks. The sector is on track to breach the 85% target next year.

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

Figure 12: Qualification of employees in percentages (2019-2020)



Source: WSP 2020-2021

In comparison to the previous year, there is a significant upward change for NQF Level 4 of the workforce from 53% to 62.7%. The percentage change of the workforce with tertiary qualifications (NQF 5 to NQF 10) decreased from 45.2% to 35.1%.

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

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

1.6 EMPLOYER PROFILE

The employer sub-sector breakdown is as follows:

Table 9: Employers by sub-sector (2020)

SIC Code	Sub-Sector	
81901	Unit Trusts	26
81902	Risk Management	60
82100	Insurance & Pension Funding	304
82110	Life Insurance	345
82120	Pension Funding	0
82131	Health Care Benefits Administration	113
82191	Short-term Insurance	886
82192	Funeral Insurance	388
82193	Reinsurance	23
83000	Auxiliary to Financial Intermediation	1195
No SIC	Other	25
	TOTAL	3365

Source: INSETA Database 2020

There are 3365 employers in the sector. The highest number of employers are intermediaries (1195), followed by short-term insurance (886) and funeral insurance (388). The INSETA has 2208 active levy-payers and 1157 active non-levy payers.

Since 35% of the employers are active non-levy payers, it exerts fiscal pressure on the INSETA to fund skills development interventions for all 3365 employers.

1.7 CONCLUSION

COVID-19 is impacting significantly on the insurance sector in terms of business activities, sales, employment, and training. Research that has been conducted with insurance firms during lockdown has revealed that the future of business is unknown. It is also assumed that as trade volumes in the sector declines, the INSETA will receive less income via skills levies. It would require the INSETA to cut operating costs and prioritise projects. COVID-19 has also highlighted the need to review skills priorities. Employees should be able to communicate using online platforms and observe health and safety protocols. A shift to online and later blended learning is expected. It has implications for training provision.

The sector is making significant strides in terms of Black representation at all occupational levels in the workforce. 82% of Blacks who were trained in the insurance sector compared to 75.4% the previous year. The target set by NSDS III is 85% for Blacks. The sector is on track to breach the 85% target next year. The proportion of Blacks at management, professional, sales and clerical levels has increased year-on-year.

The majority of employees in the sector are under 35 years. It means that training priorities should give consideration for youth training programmes, talent management and career pathways.

Most insurance firms are concentrated in Gauteng, Western Cape and KwaZulu-Natal. The INSETA should establish a bigger presence in these regions.

CHAPTER TWO: KEY SKILLS CHANGE DRIVERS

2.1 INTRODUCTION

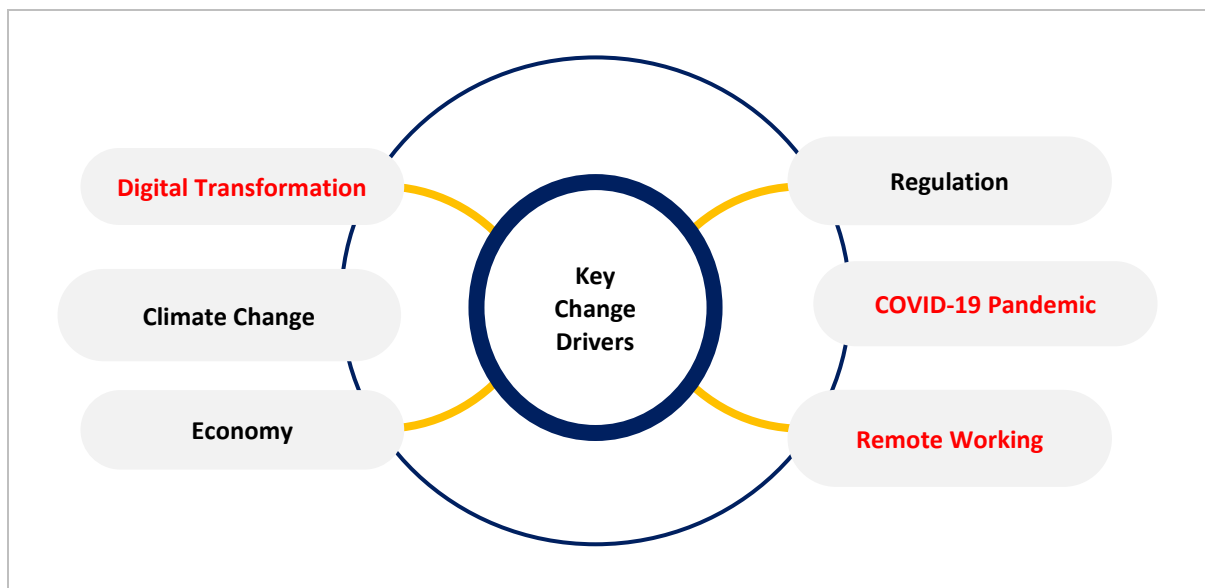
This chapter discusses the key skills change drivers that impact on skills development in the insurance sector. The INSETA continually does research on change drivers through its projects and stakeholder engagements. The COVID-19 pandemic has brought new change drivers into focus.

Information on change drivers and their impact on skills development has been acquired from the following sources:

- An expansive literature review of trade publications.
- Interviews with key informants in the sector.
- Discussions with human resource development experts in the Research and Programme Learning Steering Committee.

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

Diagram 1: Key change drivers



We are interested in skills-related change drivers – change drivers that have skills development impacts. Digital transformation, COVID-19 and remote working are new change drivers.

2.2 KEY CHANGE DRIVERS

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

Table 10: Key change drivers in the sector

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
DIGITAL TRANSFORMATION	
<ul style="list-style-type: none"> ▪ Digital transformation is not new. COVID-19 has brought it into focus. Before the pandemic, a shift to digitisation was underway. Current events have accelerated the shift. ▪ This disruption is part of the 4th industrial revolution (4.0) and involves the application of artificial intelligence, robotics, big data, digitisation, digital marketing, blockchain, predictive analytics and machine learning. ▪ The pandemic is a reality check for businesses that have been reluctant to embrace digital transformation. These digital laggards are now scrambling to migrate their operations and workforce to a virtual environment. ▪ Businesses that developed digital strategies and executed them before the pandemic can leapfrog their competitors. ▪ Clients want seamless, quick and faceless interactions. This requires a new kind of marketer (salesperson) that is tech-savvy. ▪ Digital transformation presents opportunities for first-time entrants into the insurance sector to acquire in-demand skills and pursue non-traditional career paths. ▪ Companies need to offer faster and cheaper products; create online tools to “sweat” their distribution channels; develop digital portals, customer self-service and automation of back-end processes. ▪ Online social networking has emerged as an active component of social interaction. ▪ Financial institutions are looking to gain a competitive advantage while also trying to mitigate the threats posed by social media. Many companies are now using social media to revolutionise traditional business models. 	<ul style="list-style-type: none"> ▪ There are attractive career opportunities for graduates who can work in technology areas such as cyber-security, blockchain, AI, predictive analysis, social media, digital marketing, open-source and machine learning. ▪ The critical success factors for insurance companies are developing workforce skills that can: <ul style="list-style-type: none"> ○ use “big data” to manage client relationships, design new insurance products, and reach new markets. ○ Find the right "young" talent. ○ Give clients a superior relationship experience. ○ Create innovative products. ○ Digitise business operations. ○ Attend to cyber-security risks.
CLIMATE CHANGE	
<ul style="list-style-type: none"> ▪ Since climate change is linked to the rise in frequency and severity of natural disasters, it is an issue for insurers. ▪ The following is expected to emerge in the next five years for the global insurance sector: 	<ul style="list-style-type: none"> ▪ Reskilling is required to factor climate change in the following areas: liability, underwriting, marketing, risk management, regulations, investment,

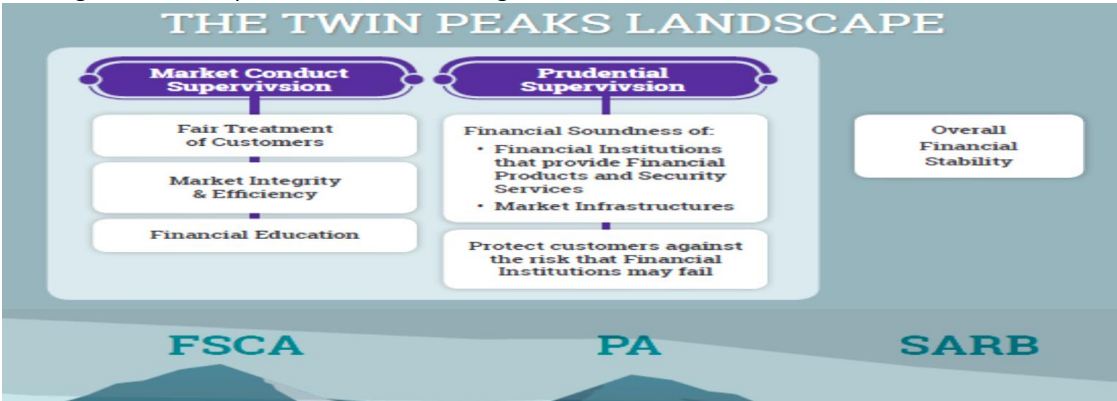
CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
<ul style="list-style-type: none"> ○ The G-20's Financial Stability Board Task Force on Climate-related Financial Disclosures has issued recommendations, including disclosure of board oversight and of management's role in assessing climate-related risks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

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

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
COVID-19 PANDEMIC	
<ul style="list-style-type: none"> ▪ The COVID-19 pandemic is impacting on the insurance sector in multiple ways from employer to business continuity issues to client service considerations. ▪ A priority is protecting the health and safety of employees and their intermediaries as they keep the business going. ▪ Insurers are reviewing and updating their disaster management plans and take steps to service clients with minimum disruption. ▪ They also need to set safety protocols and take immediate action as the situation changes. ▪ The communication system of insurers should be improved to keep staff, intermediaries and clients informed about the status of business continuity plans. ▪ The crisis is likely to increase policy lapses and reduce sales as the economy struggles to get back on its feet. 	<ul style="list-style-type: none"> ▪ There will be less money in the training budget for firms and the INSETA for skills development at a juncture that it is most needed. ▪ Organisations will need to reprioritise training and make trade-offs. They will be expected to do more with less training funds. ▪ Insurers can also enhance planning and training in anticipation of long-term pandemic and social distancing. ▪ Intermediaries will need to be trained to sell products remotely.

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
ECONOMY	
<ul style="list-style-type: none"> ▪ The South African economy was performing badly before the COVID-19 crisis. ▪ Unemployment peaked at 30.1% pre-COVID 19. ▪ The latest figures are not available, but unemployment is on an upward trajectory. High employment means that the significant proportion of the economically active population is out of work. ▪ Other problems afflicting the South African economy is what is commonly referred to as “state capture”, high fuel and transport prices, lack of business growth, high costs of doing business, high food inflation, restrictions in doing business, high costs of data, monopolies, poor governance of state-owned entities and local municipalities. 	<ul style="list-style-type: none"> ▪ The country should be focusing on saving existing jobs of employees. Therefore, there should be a focus on retrenchment mitigation schemes such as the Training Layoff Scheme. ▪ The country should focus on short skills training courses 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.

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
REMOTE WORKING	
<ul style="list-style-type: none"> ▪ The COVID-19 crisis has emptied office blocks. Insurers have moved employees into work-from-home situations. ▪ There will be a change from employer “presenteeism” to “achievement”. ▪ A major challenge facing insurers in the lockdown is alternative working arrangements to protect staff and comply with occupational health and safety protocols in the office while assuring business continuity. ▪ Efforts to contain the spread of the virus mean that staff work off-site, most likely from home. Firms are developing protocols for remote working. ▪ There is a need to establish cyber-security protocols and permit the safe exchange of confidential information among staff connecting off-site. ▪ Firms have to ensure that staff have the following technological apparatus: computers, telephone, virtual private network, data, audio, video and screen-sharing hardware and software and IT support. ▪ Insurers also need to equip claim adjusters and assessors who often need to travel to perform their jobs to examine claims. 	<ul style="list-style-type: none"> ▪ Training to enhance employees’ digital capabilities – working remotely, especially in the usage of digital and screen-sharing tools. ▪ Employees should be developed to use the benefits of flexibility, freedom, and empowerment for job satisfaction in ensuring high productivity levels. If achieved, it will increase the work-life balance. ▪ Firms are also able to assess which employees are important to the business and who can adapt and innovate under trying conditions. ▪ Managers will also need to be trained to manage from anywhere instead of micro-managing staff. ▪ Employers will be able to source skills globally instead of relying on the domestic skills stock.in

CHANGE DRIVERS	IMPLICATIONS FOR SKILLS DEVELOPMENT
REGULATORY ENVIRONMENT	
<ul style="list-style-type: none"> ■ The Insurance Act took effect from 1 July 2018 and will eventually replace the Long-term and Short-term Insurance Acts. ■ National Treasury has established a working group to develop the Conduct of Financial Institutions (CoFI) Bill. It will provide the framework for licensing based on the type of activity (this relates to financial services offered). Secondary legislation under the Financial Sector Conduct Authority (FSCA) will include Insurance Notices, Policyholder Protection Rules (PPRs), other Regulations and Conduct Standards. ■ As of 1 April 2018, South Africa became the eighth country in the world to adopt a Twin Peaks regulatory model. ■ As a result of the enactment of the Financial Sector Regulation (FSR) Act, the following two regulators were established: <ol style="list-style-type: none"> 1. The Prudential Authority (PA) – responsible for maintaining stability in the financial system 2. The Financial Sector Conduct Authority (FSCA) – responsible for market conduct and consumer protection. The Twin Peaks model will be implemented in two phases with primary and secondary legislation to be published under both regulators. 	<ul style="list-style-type: none"> ■ Stakeholders should be trained in applying the new legislation in operational activities. ■ The CoFI Bill makes provision for FSPs (who are sole proprietors), key individuals and representatives develop and maintain professional competence for providing financial services. The Bill supports the professionalisation of the financial services industry. Professionals are required to upgrade their knowledge and skills to ensure that clients receive competent professional services.

Source: Financial Services Conduct Authority

2.3 POLICY FRAMEWORKS AFFECTING SKILLS DEMAND AND SUPPLY

The SETA has taken measures to support the national strategies and plans. The relevant policy positions are embedded in the INSETA Strategic Plan and Annual Performance Plan. Below is a summary of the national policies that guide the activities of the INSETA. It demonstrates the alignment of the INSETA Strategic Plan to government's national policies and strategies.

NATIONAL DEVELOPMENT PLAN 2030 (NDP)	HUMAN RESOURCE DEVELOPMENT STRATEGY FOR SOUTH AFRICA 2010-2030
<p>The National Development Plan 2030 has identified the following nine key areas to achieve a development approach that is sustainable and inclusive:</p> <ul style="list-style-type: none"> ▪ 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 – supported through mandatory and discretionary grants. ▪ Providing quality healthcare - supported through mandatory and 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 <p>It is imperative to reduce the regulatory burden on small businesses and facilitate access to the labour market by young, unskilled work seekers (National Planning Commission, 2012). Concerning structural challenges, it is vital that INSETA supports and makes provision for "retraining".</p>	<p>Strategic priorities of the above strategy that impact on skills planning initiatives include:</p> <p>Strategic Priority 4: To ensure that all new entrants to the labour market have access to employment-focused education and training opportunities. INSETA supports these skills priority by ensuring that education and training are linked to scarce and critical skills and qualification development - supported through learnerships, internships, bursaries, and skills programmes.</p> <p>Strategic Priority 7: To ensure that education and training outcomes are equitable in terms of race, gender, disability, and geographic location. INSETA incorporates these variables into its projects when scoping for them to ensure that the prerequisites of the B-BBEE Act and the Financial Sector Charter (FSC) are met - supported through mandatory and discretionary grants.</p> <p>Strategic Priority 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.</p>
WHITE PAPER FOR POST-SCHOOL EDUCATION AND TRAINING	NATIONAL SKILLS DEVELOPMENT PLAN (NSDP)
<ul style="list-style-type: none"> ▪ Set out strategies to improve the capacity of post-school education and training system to meet SA's needs – support to universities and TVET Colleges through various funding interventions. ▪ It is a vision for an integrated system of post-school education and training, with all institutions playing their role as parts of a coherent but differentiated whole. These 	<ul style="list-style-type: none"> ▪ The NSDP derives from the broader plan of government, namely the National Development Plan (NDP), which aims to put in place the framework whereby we 'build the capabilities our citizens to make our future work'. The NDP notes that "several challenges require attention, including a critical shortage of skills, a complex intergovernmental system, high levels of corruption, weak lines of

<p>institutions include the colleges and universities whose main purpose is the direct provision of education and training and, in the case of universities, the conduct of research. They also include institutions that support the education and training process, such as the Sector Education and Training Authorities, the National Skills Fund and the advisory, regulatory and quality assurance bodies such as the South African Qualifications Authority (SAQA) and the Quality Councils – supported through research partnerships.</p> <ul style="list-style-type: none"> ▪ The White Paper also recognises the importance of partnerships between educational institutions and employers. Most students are preparing for careers in the labour market, and practical experience in the world of work is an invaluable part of their training. Even those students who do not find jobs in the formal labour market will benefit from practical work experience as they seek alternative ways of earning sustainable livelihoods. Employers must be drawn closer to the education and training process; they are among its major beneficiaries and must contribute to its success – supported through learnerships, internships, bursaries, and skills programmes for graduates and officials. 	<p>accountability, inadequate legislative oversight and a long history of blurring the lines between party and state.</p> <ul style="list-style-type: none"> ▪ The outcomes of the NSDP are: <ul style="list-style-type: none"> ○ Identify and increase the production of occupations in high demand. ○ Linking education and the workplace ○ Improving the level of skills in the South African workforce ○ Increase access to occupationally directed programmes ○ Support the growth of the public college institutional type as a key provider of skills required for socio-economic development ○ Technical and Vocational Education and Training Colleges ○ Community Education and Training Colleges ○ Skills development support for entrepreneurship and cooperative development ○ Encourage and support worker-initiated training. ○ Support career development services ▪ All INSETA targets and actions are linked to the NSDP outcomes.
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There national plans and strategies are chosen on the basis that they are related to skills development in the insurance sector.

2.4 CONCLUSION

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

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

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

CHAPTER THREE: OCCUPATIONAL SHORTAGES AND SKILLS GAPS

3.1 INTRODUCTION

The purpose of this chapter is to identify occupational shortages and skills gaps. In addition, the Top 10 list sectoral priority occupations in the insurance sector is devised, as well as Hard-To-Fill vacancies based on an employer survey.

INSETA administered surveys to companies in the insurance sector in April 2020. The purpose of the survey was to determine how companies are responding to the challenges facing them during the COVID-19 lockdown, which took effect in South Africa on the 27 March 2020.

The onset of the crisis has led to a collapse in economic activity, firm closures, tax revenue shortfalls, disruption of industries, job destruction, and distressed communities. The speed and spread of the virus are unprecedented in modern history. It has impacted on every aspect of life, including post-school education and training.

The web-based survey was sent out to active skills-levy paying insurance companies. One-hundred and fourteen (114) companies responded.

3.2 HARD-TO-FILL VACANCIES

Hard-To-Fill Vacancies (HTFVs) are a strong labour market signal of occupational demand. The survey of HTFV survey was conducted in 2019-2020.

A HTFV occupation is defined as the following:

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

The HTFV survey is interested in obtaining the following information:

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

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

10. Other.

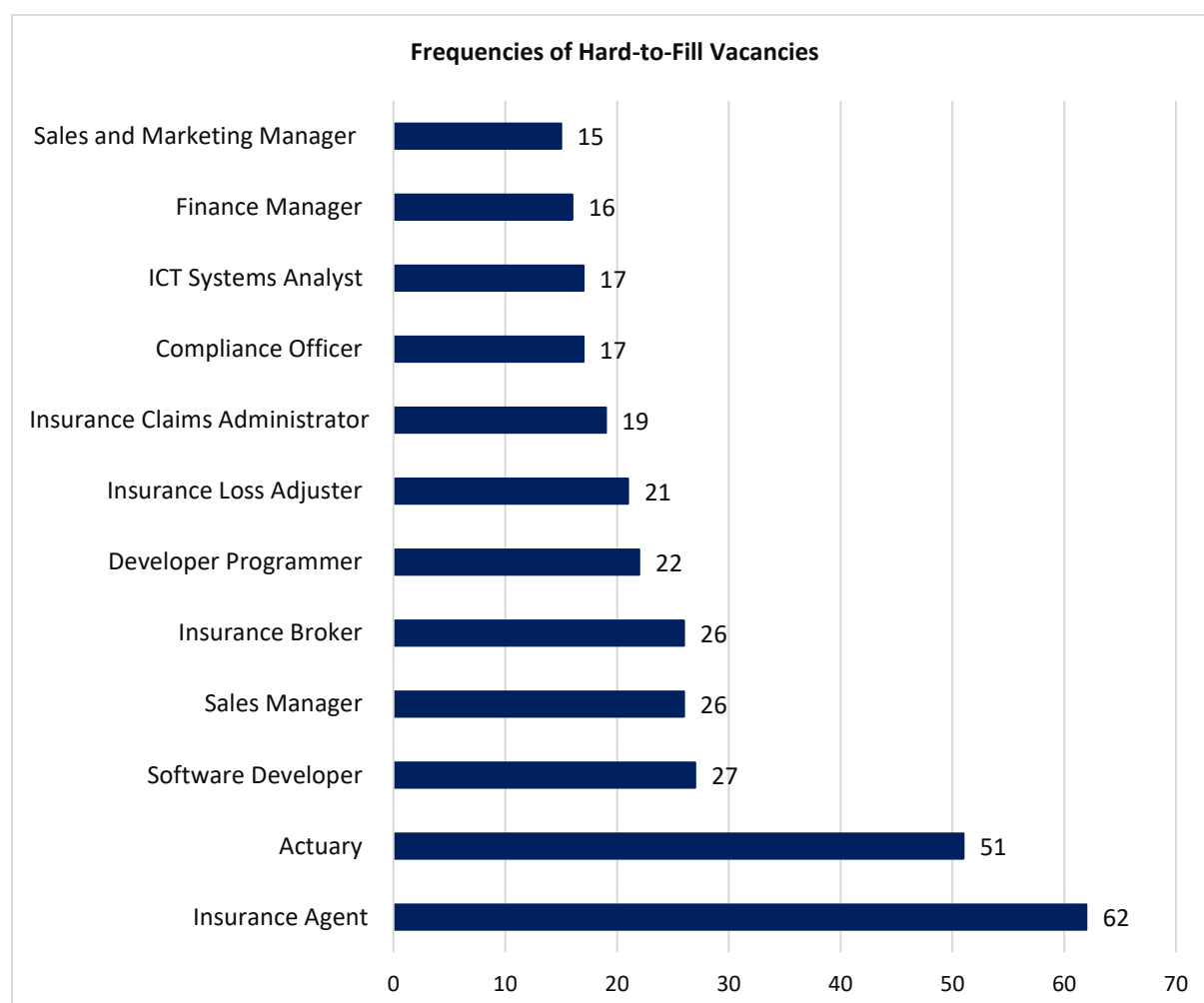
In the Workplace Skills Plan for 2019-2020 companies were required to submit responses to HTFV questions. This was a representative sample based on a response of 1104 companies comprising large employers (227), medium employers (132) and small employers (745).

The 1104 companies that submitted workplace skills plans (WSPs) indicated that 12 occupations were Hard-To-Fill Vacancies, i.e., it takes longer than six months to find a suitably and experienced applicant.

The 1104 companies indicated 319 HTFVs for the 12 occupations.

The three highest recorded HTFVs were insurance agent, actuary, and software developer.

Figure 13: Hard-to-fill vacancy occupations



Source: WSP 2020-2021

The reasons given for HTFVs per occupation are the following:

Table 11: Hard to fill vacancies

OFO Code	Occupations	Reasons for HTFV (refer to key below)										Quantities
		1	2	3	4	5	6	7	8	9	10	
242101	Management consultant	5	9	3		1		4				22
122101	Sales and marketing manager	6	8		1			5				20
121101	Finance manager	2	12	3				9				26
251101	ICT systems analyst	4	13	6				4				27
242207	Compliance officer	7	7	1				6				21
431204	Insurance claims administrator	8	13	3				5				29
331503	Insurance loss adjustor	16	20					12				48
251203	Developer programmer	9	15	6	1	1		7				39
332102	Insurance broker	12	22	2	2			3				41
122102	Sales manager	17	17	1				7				42
251201	Software Developer	12	18	3	2			5				40
212101	Actuary	26	31	13	1	2		18				91
332101	Insurance agent	28	32	5	7			19				91

Source: INSETA Employer Survey April 2020

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

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

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

There is a complaint from graduates that they are disadvantaged in finding employment because they lack work experience.

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

3.3 SKILLS GAPS BY MAJOR CATEGORY

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

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

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

3.4 SKILLS GAPS BY OCCUPATIONS

A composite profile of skills gaps associated with sectoral priority occupations in the insurance sector has been constructed. The information below highlights the complexity of skills gaps associated with scarce skill occupations. It provides a construct of role activities, level of experience and key performance activities associated with the identified scarce 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	Actuarial Analyst; Actuarial Assurance Specialist; Actuarial Consultant; Actuarial Manager; Group Benefits Actuarial Managers; and Management Professionals Moses testing; VBA; C++; Actuarial studies and exams; IT skills & programming; risk calculation; unique business need Consultant: Regulator Co-ordination & Advanced Analytics
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 Adjuster Loss	Claims Adjuster experience; liability; investigating; communication Skills; customer Service; written Communication; Claim Handling; and estimating
Sales and Marketing Manager	Marketing and sales
Insurance Administrator Claims	Claims management and administration Assessment
Developer Programmer	Analyst Developer; Application Architect; Senior Developer (.Net); System Developer and Technical Developer Write programs in a variety of computer languages, viz. C++; Java Update; debug programs through testing and fixing errors; build and use computer-assisted software
Compliance Officer	Analytical skills and have an eye for detail Quality management Occupational, health, safety, and environmental management

3.5 SUPPLY OF OCCUPATIONS

We have examined the supply of occupations to the insurance sector using data from 01 April 2019 to 31 March 2020.

3.5.1 Nature and Extent of Skills Supply

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 ICB, the AAT and the IBM in collaboration with employers.

3.5.1.1 Senior Certificate

A limited number of matriculants enter the insurance sector directly from school, since the sector requires tertiary qualifications above clerical level. Grade 12 subjects such as Mathematics, Accounting, Physics, Economics and Business Economic are preferred to secure first-time employment in the sector.

The table below summarises Grade 12 enrolments and completions for the period 2015 - 2019.

Table 12: Grade 12 statistics (2015-2019)

Number of learners who:	2015		2016		2017		2018		2019	
	N	%	N	%	N	%	N	%	N	%
Wrote Grade 12	644 536	100	610 178	100	534 484	100	512 735	100	504 303	100
Achieved Grade 12	455 825	71	442 672	73	401 435	75	400 761	78	409 906	81
Wrote Mathematics	263 903	41	265 912	44	245 103	46	233 858	46	222 034	44
Achieved Mathematics (40% and more)	84 297	13	89 084	15	86 098	16	86 874	17	121 179	24
Wrote Accounting	140 474	22	128 853	21	103 427	19	90 278	18	80 110	16
Achieved Accounting (40% and more)	50 906	8	57 914	9	44 041	8	43 831	9	62 796	12

Source: Department of Basic Education, 2019.

These statistics show that there is sufficient supply of matriculants to join the sector. However, as mentioned, to secure positions in the sector there is a need to graduates to obtain tertiary qualifications.

3.5.1.2 TVET

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

Most TVET colleges also offer National Accredited Technical Education Diploma (NATED) programmes at NQF levels 4 to 6 in financial management, business management or both. On successful completion of the programmes, graduates obtain either a national certificate or a national diploma.

Table 13: Enrolment in TVET colleges (2011-2018)

NC(V) Level Programmes	Number registered	Number wrote	Number completed	Completion rate (%)
L4: Finance Economics and Accounting	1 501	1 386	702	50.6
L4: Information Technology and Computer Science	1 158	1 035	415	40.1
L4: Management	883	791	521	65.9
L4: Marketing	1 185	1 053	408	38.7
L4: Office Administration	6 135	5 506	3 334	60.6
Report 191 N6 Programmes				
N6: Business Management	9 993	9 502	8 232	86.6
N6: Financial Management	8 767	8 512	7 978	93.7
N6: Marketing Management	4 398	4 075	3 384	83

Source: Statistics on Post-schools Education & Training in South Africa: 2018.

The number of NC(V) graduates in ICT, management and marketing is relatively low since these graduates can apply for employment in any sector. Graduate completions for Report 191 N6 Programmes are comparatively better since many of these graduates are already in employment. These courses are also in a user-friendly format for employed people.

3.5.1.3 Higher Education and Training

The table below provides the number of graduates by field of study in higher education and training (HET):

Table 14: Enrolment in HET institutions (2017-2018)

Year	SET	Business and Management	Other Humanities	Education
2017	61 581	57 772	47 144	44 434
2018	65 211	60 458	50 868	50 651

Source: Statistics on Post-schools Education & Training in South Africa: 2018.

There are a considerable number of graduates exiting HET institutions, which implies a strong labour supply for the insurance sector.

3.5.2 Support Youth Enter and Complete Learning Programmes

INSETA set a target of 3600 youth to enter learning programmes and 2485 to complete learning programmes. The entry target was exceeded by 481 and the completion target by 329.

Table 15: Enter and complete learning programmes

PERFORMANCE INDICATOR	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020
Support youth to enter learning programmes		
Number of Youth entering University or TVET through Bursaries to obtain scarce and critical qualifications	900	1335
Number of Youth entering Skills Programmes in industry required skills	1300	1328
Number of Youth entering Learnerships	1300	1318
Number of Rural Youth entered in Learnerships	100	100
TOTAL	3600	4081
Support Youth to Complete Learning Programmes		
Number of youth completing Bursary studies in scarce and critical skill qualifications	710	780
Number of youth completing Skills Programmes in industry required skills	850	1039
Number of Youth completing Learnerships	855	923
Number of Rural Youth completing Learnership Programmes	70	72
TOTAL	2485	2814

Source: INSETA Database 2020

3.5.3 Support Youth Achieve Full or Part Qualifications

INSETA set a target of 1740 youth to achieve part or full qualifications. The target was exceeded by 604.

Table 16: Support youth to achieve full or part qualifications

PERFORMANCE INDICATOR	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020
Support youth to achieve full or part qualifications on learning programmes		
Number of Youth receiving full or part qualifications through Bursaries	490	642
Number of Youth receiving full or part qualifications through Skills Programmes	598	731
Number of Youth receiving full or part qualifications through Learnerships	597	899
Number of Rural Youth receiving full or part qualifications through Learnerships	55	72
TOTAL	1740	2344

Source: INSETA Database 2020

3.5.4 Support Internships

INSETA set a target of 2195 youth to achieve part or full qualifications. The target was short by 90.

Table 17: Support internships

PERFORMANCE INDICATOR	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020
Support Youth with workplace-based experience through Internships, nationally		
Number of Youth entering Internship programmes	1200	1039
Number of Youth Completing Internship programmes	590	614
Number of Youth accepted into employment after Completion of Internship programmes	405	452

Source: INSETA Database 2020

3.5.5 Worker Support

In terms of support for workers to enter learning programmes, 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 18: Support workers

PERFORMANCE INDICATOR	PLANNED TARGET 2019/2020	ACTUAL ACHIEVEMENT 2019/2020
Support Workers to enter learning programmes		
Number of workers entering university or TVET through Bursaries towards scarce and critical qualifications	1150	1275

Number of Workers entering Skills Programmes in scarce and critical skills	2950	2408
Number of Workers Entering Learnerships	1150	1155
TOTAL	5250	4838
Support professionalism of sector workers through candidacy		
Number of Workers Entering Candidacy programmes	100	100
Number of Workers Completing University or TVET through Bursaries towards scarce and critical qualifications	940	1005
Number of Workers Completing Skills Programmes in scarce and critical skills	1700	1375
Number of Workers Completing Learnerships	795	814
TOTAL	3535	3294
Support Workers to achieve full or part qualifications		
Number of Workers receiving full or part qualifications through Bursaries towards scarce and critical qualifications	500	965
Number of Workers receiving full or part qualifications through Skills Programmes	1230	1003
Number of Workers receiving full or part qualifications through Learnerships	520	550
TOTAL	2250	2518

Source: INSETA Database 2020

3.6 SECTORAL PRIORITY OCCUPATIONS

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

Research Methods and Consultations: The Sectoral Priority Occupations List (2019) was derived from the following-

- An analysis of 1104 WSP/ATRs for 2020-2021.
- 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” (2020).
- Interviews with industry experts in the insurance sector (2019).
- Consultation with the INSETA Research and Learning Programmes Steering Committee which consists of human resource development experts in the insurance sector.

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

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

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

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

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

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

Board Approval Process: 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.

3.7 SECTORAL PRIORITY OCCUPATIONS LIST (2020)

The Top 10 Sectoral Priority Occupations for 2019/2020.

Table 19: Top 10 sectoral occupations for 2019/2020

PERIOD	OCCUPATION CODE	OCCUPATION	SPECIALISATION/ ALTERNATIVE TITLE	THE INTERVENTION PLANNED BY THE SETA	NQF LEVEL	NQF ALIGNED Y/N	QUANTITY NEEDED	QUANTITY SUPPORTED BY THE SETA	0-100	101-1000	1001 & ABOVE	COMMENTS	SKILLS GAPS
2021 - 2022	2019-332101	Insurance Agent	Insurance Client Services Agent Commercial Underwriter	Training on Commercial and Personal Lines insurance as well as Technical & Medical Underwriting. Focus on Fit & Proper Requirements to conduct effective insurance sales	5	Y	62	70	X			Pivotal skills funding mechanisms such as bursaries, projects & skills programmes	Management & leadership Marketing & sales Planning & organising Interpersonal Problem-solving
2021 - 2022	2019-212101	Actuary	Actuary Manager Average Adjuster	Training of Actuaries to undertake Moses testing, VBA & C++ programming & Risk Calculations. Training of qualified actuaries to obtain long-term business experience.	7	Y	51	60	X			Pivotal skills training Funding mechanisms such as bursaries, projects & skills programmes	Legal governance & risk Problem-solving Strategic thinking Financial
2021 - 2022	2019-251201	Software Developer	Software Architect Software Designer	Training in designing and developing computer software systems. Also, on evaluating the requirements for these systems.	6	Y	27	40	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required.	Project management Advanced IT & Software Interpersonal Legal governance & risk

2021 - 2022	2019-332102	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.	6	Y	26	40	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required.	Management & leadership Marketing & sales Mentoring and coaching Negotiation Interpersonal
2021-2022	2019-251203	Developer Programmer	ICT Programmer Applications Developer	Training to develop high-level system developers, such as analyst, architect & technical developers.	7	Y	22	30	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required.	Project management Advanced IT & Software
2021 - 2022	2019-331503	Insurance Loss Adjuster	Accident Claims Officer Insurance Loss Assessor	Training candidates in credit management, analytical, and administrative skills. Learning how to undertake a claims investigation	4		21	50	X			Pivotal skills training. Funding mechanisms such as bursaries, projects & skills programmes	Problem-solving
2021-2022	2019-431204	Insurance Claims Administrator	Insurance Claims Clerk Claims Analyst	Advanced training programmes on liability and audit insurance settlements. Acquiring further knowledge in the areas of statistical or actuarial data, bonds, and shares.	6	Y	19	50	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required.	Supervisory Administration Planning & organising Interpersonal Problem-solving
2021-2022	2019-242207	Compliance Officer	Financial Markets Compliance Officer Compliance Officer (Financial Sector)	Intermediate training in compliance services to comply with applicable regulatory requirements.	6	Y	17	50	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required.	Legal governance & risk Interpersonal Problem-solving

2021-2022	2019-241301	Financial Investment Advisor	Financial Planner Financial Advisor Financial Analyst	Develops and implements financial plans for individuals and organisations, and advises on investment strategies and their taxation implications, securities, insurance, pension plans and real estate	6e pt	Y	16	50	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required	Tax Planning & organising Interpersonal Problem-solving
2021-2022	2019-122101	Sales and Marketing Manager	Insurance Sales and Marketing Manager Key Account Manager	Advanced training in budgets, sales methods, expenditure control and allocation of resources	6		15	50	X			Pivotal funding is directed at the full range of pivotal scarce & critical skills required.	Management & leadership Marketing & sales Planning & organising Problem-solving

Chief Executive Officer: Ms Nadia Starr

Date: / / /

Chairman of the Board: Mr Sihle Ngubane

Date: / / /

3.8 CONCLUSION

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 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 vast quantities of consumer data – the ability to identify trends and develop innovative solutions from the analysis will become 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.

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.

On the supply side, graduate numbers for NC(V) Level 4 qualifications are relatively low. The NATED programmes have higher completion rates. The insurance sector is predominantly a tertiary education sector, therefore the demand for TVET first-time job entrants is low. Additionally, there is an oversupply of HET graduates that compete for employment in the sector.

The process of devising a Top 10 Sectoral Priority 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.

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, which is reflected in the list.

CHAPTER FOUR: SECTOR PARTNERSHIPS

4.1 INTRODUCTION

The chapter assesses the current and planned INSETA partnerships. The SETA is involved in many partnerships. We have highlighted the major partnerships in this chapter.

4.2 ANALYSIS OF EXISTING PARTNERSHIPS

The existing partnerships are the following:

TVET COLLEGE PARTNERSHIPS	
What organisations is the SETA partnering?	TVET Colleges: Umfolozi, Vuselela, West Coast, Coastal, False Bay, Gert Sibanda, Ingwe, Letaba, Majuba, Mnambithi, Motheo, Northern Cape rural, Northern Cape urban, South Cape, Taletso, Thekwini, Tshwane North, South West Gauteng, Buffalo City, College of Cape Town, Flavius Mareka, Tshwane South, Ekurhuleni West, Port Elizabeth, Ikhala, East Cape Midland, Maluti, Orbit, Mthashana, King Dalindyebo Sabata, King Hintsa, Capricorn, Boland, Ikhala TVET, Ekurhuleni East, Tshwane South
What is the nature, the term and duration of the partnership?	<p>The INSETA supports the placement of new entrants in learnerships, skills programmes, bursaries and workplace integrated learning. INSETA started a lecturer development training programme from 2016 to ensure that lecturers are trained as assessors and moderators, as well as to comprehend insurance concepts.</p> <p>INSETA trained 135 the N6 NATED graduates to be invigilators for the TVET colleges that are accredited as an assessment centres. The SETA will for the 1st time train Career Guidance officers in the 2020/2021 financial year. A curriculum to articulate TVET College graduates to institutions for higher learning is in development through UKZN.</p>
Term and Duration	2018 – 2021
What is the objective of the partnership?	The project targeted learners, lecturers, career guidance and graduates in public TVET Colleges. INSETA aims to increase training for unemployed learners in programmes that are related to the insurance sector and to support TVET colleges to offer and access INSETA programmes.
What value is the partnership adding to the SETA?	<ul style="list-style-type: none"> ▪ A total of 13 public TVET colleges have been afforded INSETA accreditation including provisional and full accreditation to offer insurance specific qualifications ▪ 23 Public TVET College Lecturers were trained to offer training on Insurance-specific qualifications. ▪ 135 Public TVET Graduates were trained as invigilators for examinations. ▪ 11 Public TVETs across 6 provinces were approved as Assessment Centres. ▪ 36 TVET Colleges attended an event at Southern Sun Hotel (OR Tambo) in November 2018. The focus of the event was to: <ul style="list-style-type: none"> ○ Communicate INSETA's intent and plans in partnering with public TVET colleges. ○ Lay a foundation for future collaboration between Public TVET colleges and INSETA. ○ Encourage ongoing buy-in of Public TVET colleges for INSETA's skills development plans.

TVET COLLEGE PARTNERSHIPS	
What is working successfully, and why?	Acceptance and participation of INSETA interventions by TVET Colleges i.e., Lecturer Development, Bursaries, WIL is growing. Linking INSETA employers and TVET Colleges through forums to roll-out SETA programmes. Integrating INSETA engagements with TVET Colleges through a digital programme – attendance to workshops is good.
What is not working successfully, and why?	Introducing new curriculum to TVET Colleges is a lengthy and costly process and may require DHET approval. High staff turnover at TVET Colleges resulting lack of administrative efficiency and the need for regular upskilling of new staff members.
What gaps are the partnership addressing?	Supply a pool of entry-level skills to the sector. It is assisting the SETA to meet its targets for public TVET support. Increase access to the rural and semi-rural learners due to geographical location of the TVET Colleges.
What should be done to strengthen partnerships that are not working well?	There is a need for more systematic and frequent engagement with TVET Colleges, particularly their management. On-going capacitation of TVET Colleges to appreciate and participate in SETA programmes. Infrastructure development i.e., building of SETA digital hubs at TVET Colleges, up-scaling SETA offices at TVET Colleges.

OCCUPATIONAL LEARNING PROGRAMMES DEVELOPMENT	
What organisations is the SETA partnering?	Insurance Institute of South Africa University of Kwa-Zulu Natal (UKZN)
What is the nature, the term and duration of the partnership?	INSETA has partnered with the Insurance Institute of South Africa (IISA) and UKZN to develop occupational qualifications in the short-term insurance industry.
Term and Duration	2018 – 2021
What is the objective of the partnership?	To develop responsive qualifications to meet the needs of the labour market. The qualification is of an occupational nature.
What value is the partnership adding to the SETA?	Enable the development of relevant occupational qualifications for the insurance sector.
What is working successfully, and why?	The Insurance Agent: Insurance Underwriter (91784) Occupational Qualification NQF Level 5 was the first occupational qualification implemented in the Insurance Sector in 2018 and employed learners from across the sector were registered on this qualification.
What is not working successfully, and why?	Qualifications development is a slow and costly process.
What gaps in the partnership addressing?	Developing qualifications for sectoral priority occupations.
What should be done to strengthen partnerships not working well?	There is a need to speed up the pace of qualifications development.

TVET ENTREPRENEURSHIP	
What organisations is the SETA partnering?	Ekurhuleni West TVET College (Centre for Entrepreneurship Rapid Incubator)
What is the nature, the term and duration of the partnership?	The training of 21 young people who were placed in an 18-month in-service training and exposure to insurance companies.
What is the objective of the partnership?	This programme is aimed at SMME development, particularly targeting unemployed youth. These young candidates are assisted with starting their businesses in the fields of social media strategy and app Development. The programme has attracted a diverse group of young people with a gender representation of 62% female and 38% male.

What value is the partnership adding to the SETA?	INSETA is contributing to the national imperative of addressing youth unemployment. The learners receive exposure to the megatrends that are altering the global insurance; and translate the skills and knowledge acquired into their businesses.
What is working successfully, and why?	On completion of the programme, the learners will be able to develop Apps and become social media consultants. They will also receive back-office support and seed funding to set-up their businesses; monitored by the Ekurhuleni West TVET College Centre for Entrepreneurship Rapid Incubator using an SMME business tool called Growth Wheel.
What is not working successfully, and why?	n/a
What gaps in the partnership addressing in the SETA?	n/a
What should be done to strengthen partnerships that are not working well?	There is a need to scale up the programme.

4.3 PLANNED PARTNERSHIPS

The planned partnerships are the following:

RESEARCH PARTNERSHIPS WITH UNIVERSITIES (WITS, UCT, DUT)	
What new partnerships are needed for the SETA?	<p>The insurance sector is largely, but not exclusively, a tertiary education sector. Therefore, there is a need to establish partnerships with universities to support the skills development plan of the sector. There is also a need to ensure that universities are offering programmes that are relevant to the needs of the sector.</p> <p>UKZN has been approached to develop a curriculum ring-fenced for TVET graduates as a platform to transition into the insurance-specific environment.</p>
What gaps/objectives will these partnerships be addressing?	<p>The university research partners (WITS, UCT and DUT) will strengthen skills planning research outputs in the INSETA. Students will conduct Masters and Doctoral research on insurance and skills planning issues. The research partners will advise INSETA on the development of new qualifications.</p> <p>The DUT will conduct the following research studies:</p> <ul style="list-style-type: none"> ▪ The Gig Economy ▪ Job shifts <p>The UCT will conduct the following research studies:</p> <ul style="list-style-type: none"> ▪ Potential Impact of COVID-19 and 4IR on the workforce in the insurance sector ▪ Occupational mapping of Top 10 Sector Priority Occupations ▪ Impact Study of INSETA Training Investments in the insurance sector ▪ Job Quality in insurance firms <p>WITS will conduct the following research studies:</p> <ul style="list-style-type: none"> ▪ A body of knowledge for short-term insurance

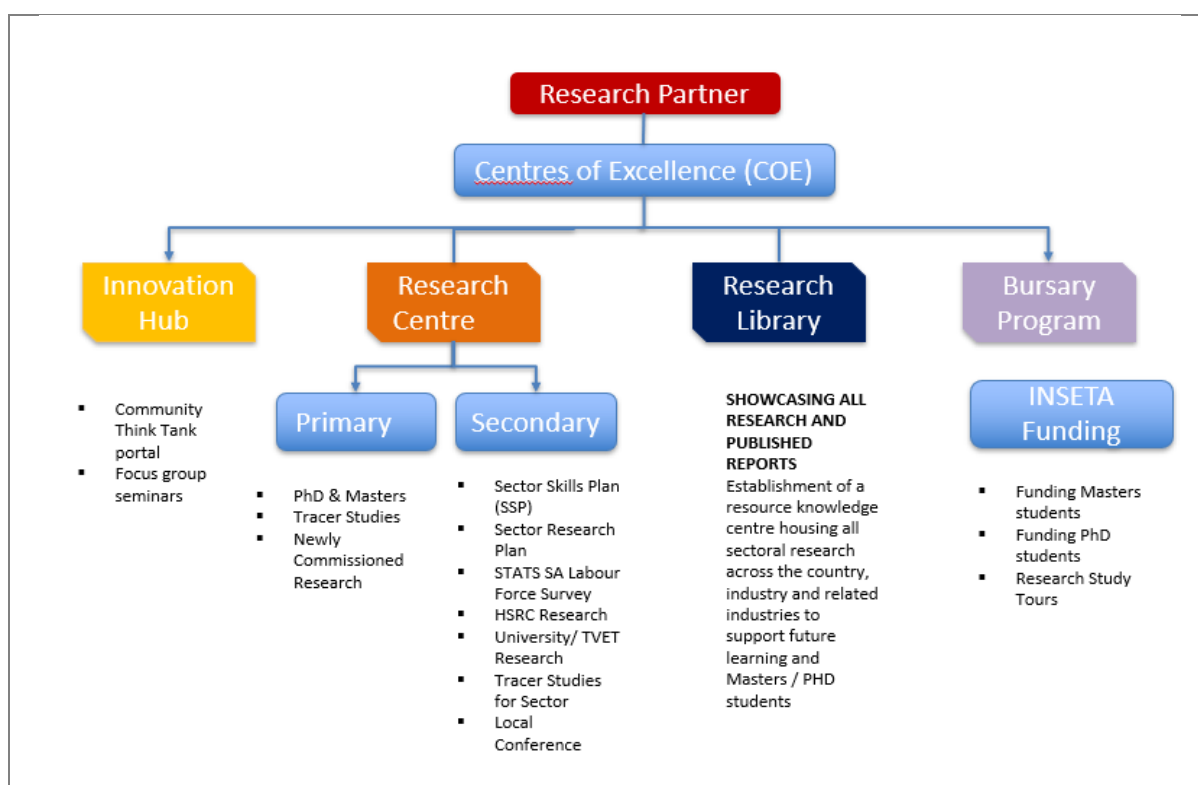
What necessitates these partnerships?	The need to strengthen the research capacity at INSETA for sector skills planning.
What is SETA's most successful partnership approach?	The INSETA should consistently engage with university management to inform them of the employment opportunities and career pathways available for students and graduates. Regular meetings with the INSETA and university partners.

4.4 A MODEL OF A SUCCESSFUL PARTNERSHIP

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

An illustration of the functions of the research partnership is depicted below:

Diagram 2: Organogram



The main activities are the following:

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

The value of the partnership is the following:

- Enables the sector to tap into research networks at universities.
- Funds universities to do cutting edge research in the sector.
- Supports INSETA's research agenda and SSP.
- Brings academic closer to the world of work.

4.5 CONCLUSION

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

CHAPTER FIVE: SETA MONITORING AND EVALUATION

5.1 INTRODUCTION

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

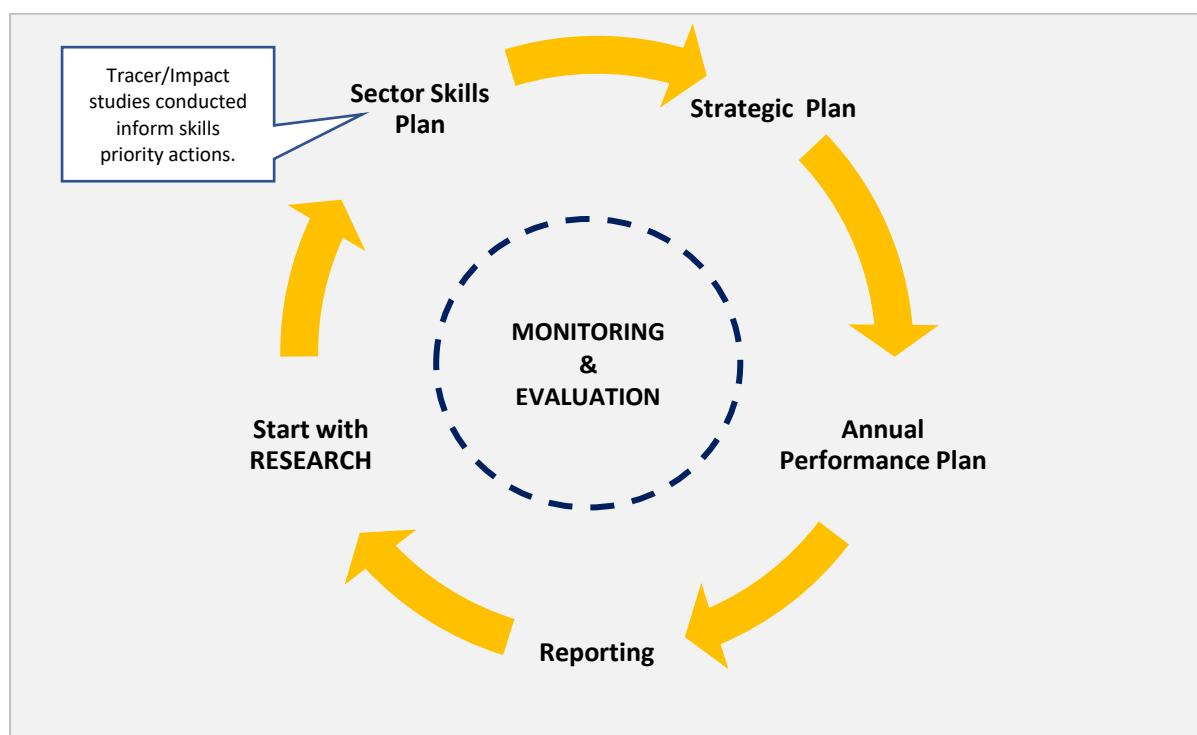
The INSETA Strategic Plan is revised and updated in line with the *Framework for Managing Programme Performance Information* issued by National Treasury in terms of the mandates set out in section 215 and 216 of the Constitution.

Ultimately, the Board has an oversight role in reviewing the SETA's performance over the five years against the strategy set.

5.2 APPROACH TO M&E

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

Diagram 3: Approach to M&E



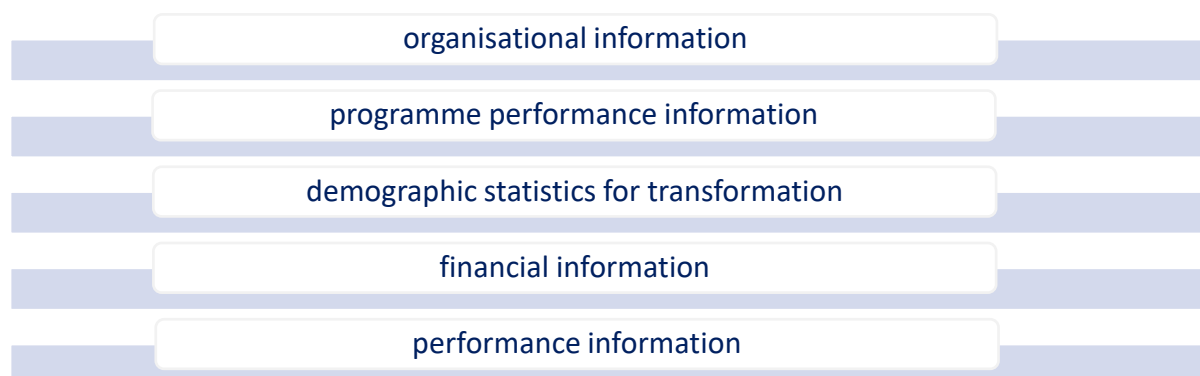
The M&E cycle involves the following:

- Research studies are conducted to provide data for the SSP.
- The sector skills plan is developed using the findings from the research studies.
- The Strategic Plan is developed using the recommendations of the SSP.

- The Annual Performance Plan (APP) is devised from the Strategic Plan (SP).
- Management provides the SSP, SP and APP reports to the Board for approval.

The system has five components:

Diagram 4: System components



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

5.3 USE OF M&E DATA FOR PLANNING AND RESEARCH

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

The core divisions within INSETA are the following:

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

The following are support divisions:

- The Office of the Chief Financial Officer (CFO) is responsible for financial management. The Supply Chain Management (SCM) division is responsible for the procurement of resources, products and services.
- The Human Resources (HR) division is responsible for the management and administration of all human resource-related matters.

- The INSETA Project Office (IPO) is responsible for management of Discretionary Grant Process Management and policy coordination.
 - Submission on SETMIS Reports.
 - Submission of QCTO and SAQA Reports and data loads.
 - Analysis of data and reporting on trends according to data received in Core Divisions, especially from Skills Division.
 - Initiate Tracer Studies - trace learners and check on placement after completion of programmes.
 - Data and trends analysis to inform annual performance targets for SLA input to DHET
 - Submission of performance numbers as determined by what is appropriate for audit
 - Provide soft copy documents required for audits to the Auditors and the DHET
 - Circulate DHET's validation report to Core Divisions
- INSETA has established a Research and Learning Programmes Committee which acts as a platform for discussing research and programme planning issues.
- The above structures make recommendations and monitor programmes activities that are communicated to the management, which, in turn, communicates issues to the EXCO and Board.

5.4 STRATEGIC PRIORITIES

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

Advance the employability potential of young adults

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

Strive to meet transformation targets

Assist with transformation of the insurance sector through the selection of candidates for bursaries and skills programmes to satisfy the NSDS III principle as follows: Black (85%), Women (54%) and people with Disabilities (4%).

Alleviate the scarce and critical skills in the sector

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

Supporting the professionalisation of the sector

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

STRATEGIC GOAL	NO OF INDICATORS	INDICATORS ACHIEVED
Number of Large Firms paid Mandatory Grants	100	102
Number of Medium Firms paid Mandatory Grants	95	129
Number of Small Firms paid Mandatory Grants	460	540
Credible institutional mechanism for skills planning	4	4
Number of Programme Approvals awarded to Public TVET Colleges	4	5
Number of TVET Lecturers developed to support the implementation of INSETA programmes	20	30
Number of learners entering occupational qualifications through the RPL process	50	81
Building career and vocational guidance	1	0
Number of District Municipalities reached with Career Guidance to Youth	18	21

(RPL) option for FSPs.

Table 19: FSPs Strategic goals

Supporting rural development initiatives through partnership with cooperatives

Partnering with the employers in the insurance sector in equipping the learners in the rural areas by means of implementing the youth rural development programmes (learnerships and internships). Promote the development of cooperatives, especially burial societies. INSETA assists burial societies in registering as cooperatives and equips them with skills training.

All strategic priorities in the previous SSP were captured in the SP and APP of the SETA. These include:

- Strengthen INSETA's Research Capacity for Sector Skills Planning
- Developing New and Enhancing Existing Qualifications
- Meeting Transformation Targets
- Supporting rural development and cooperatives
- Building Career Guidance
- Support National Strategies and Plans

5.6 CONCLUSION

The INSETA Board and Executive Committee meets regularly. One of their tasks is to ensure that the recommendations of the SSP are infused into the SP and APP. The Board and EXCO is also responsible for monitoring the progress of projects against targets. Where there are delays, the Board is informed, and decisions are taken to fast-track projects or offer additional support to staff. Management reports to the Board and EXCO regularly.

CHAPTER SIX: STRATEGIC SKILLS PRIORITY ACTIONS

6.1 INTRODUCTION

Chapter Six is the final chapter of the SSP. It serves a two-fold purpose. Firstly, the key skills findings from the previous chapters are discussed. From this, the strategic skills priority actions are outlined. The impact of the COVID-19 crisis on skills development in the sector is also integrated into this chapter.

6.2 FINDINGS FROM PREVIOUS CHAPTERS

The key findings from preceding chapters are as follows:

<p>Chapter 1: Sector Profile</p>	<ul style="list-style-type: none"> ▪ The COVID-19 pandemic is affecting South African economy adversely. It is a simultaneous health, economic, education and social crisis. ▪ The economy, which was already weak before the emergence of the pandemic, has been hit by interlocking shocks to supply and demand. ▪ South Africa's aggregate GDP performance between 2010-2018 averaged 1.8%. It is below sub-Saharan Africa, developing countries, and the world average. Growth slowed in 2019 to 0.2%. ▪ The forecast for 2020 is a sharp decline in -6.1% (SARB), rebounding to 2.2% in 2021. The IMF is somewhat optimistic about our prospects and sees a drop of -5.8% in 2020 with a rebound of 4% in 2021. ▪ The narrow employment rate trended upwards from 23.5% in the Q1:2008 to 30.1% in Q1:2020. The number of unemployed people in South Africa increased from 4.4 million in Q4:2009 to 6.7 million. It trended upwards to 7.1 million in Q1:2020. ▪ Approximately 8,2 million (40.1%) out of 20.4 million young people aged 15-34 years are not in employment, education, or training (NEET). ▪ The National Treasury predicts a further 3 million job losses in a quick recovery; 5 million in a slow recovery; and 7 million in a long recovery. Some forecasters predict that employment will reach 50%.
<p>Chapter 2: Key Skills Change Drivers</p>	<ul style="list-style-type: none"> ▪ There are six major skills drivers driving change in the sector. These include: <ul style="list-style-type: none"> ○ Digital transformation ○ Climate change ○ Remote working ○ Economy ○ Regulatory Environment ○ COVID-19 ▪ These issues have major implications for skills development in the insurance sector. It requires reskilling of existing staff in companies; review of current qualifications; development of new qualifications; and increased discretionary funding to skills development related to these skills drivers.
<p>Chapter 3: Occupational Shortages and Skills Gaps</p>	<p>Insurance Agent Actuary Software Developer Insurance Broker Developer Programmer Insurance Loss Adjuster Insurance Claims Administrator Compliance Officer Financial Investment Advisor Sales and Marketing Manager</p>

<p>Chapter 4: SETA Partnerships</p>	<p>Chapter Four discusses current and planned sector partnerships. The following current partnerships are to increase training to unemployed learners in TVET programmes that are related to the insurance sector; enabling people in rural communities access skills development through learnerships; developing occupational qualifications to meet the needs of the labour market; SMME development targeting unemployed youth and partnering with public TVET Colleges to develop lecturer capacity.</p> <p>The university research partners (WITS, UCT and DUT) will strengthen skills planning research outputs in the insurance sector. The DUT will conduct the following research studies: gig economy, job shifts and job mobility, COVID-19 and 4IR on the workforce, occupational mapping of top 10 sector priority occupations, the impact study of INSETA training investments, job quality in insurance firms.</p>
<p>Chapter 5: Monitoring and Evaluation</p>	<p>INSETA is meeting its annual targets as per its service level agreement with the DHET. The establishment of the Research and Learning Programmes Committee is intended to use the expertise of human resource development experts in the sector to guide the research agenda.</p>

6.3 KEY STRATEGIC SKILLS PRIORITY ACTIONS

6.3.1 Strengthen INSETA's Research Capacity for Sector Skills Planning

The INSETA is committed to strengthening its institutional labour market research capacity through university research partnerships with UCT, WITS and DUT.

The research partnerships will be in the following categories:

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

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

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

The research partners will conduct the following research studies: gig economy, job shifts and job mobility, COVID-19 and 4IR on the workforce, occupational mapping of top 10 sectoral priority occupations, the impact study of INSETA training investments, and job quality in insurance firms.

Response: The INSETA has established research partnerships at three public universities. The research partnerships will:

- Increase research outputs in the Insurance sector.
- Respond to challenges facing the insurance sector through evidence-based research.
- Developing young and emerging researchers, especially from previously disadvantaged communities.
- Increase the production of the Master and Doctoral graduates in the Insurance Sector.

- Create insurance specific research career pathways for young and mid-career researchers, with strong research, and human capital development output trajectory.

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

- The INSETA will offer a training programme to firms to prepare the opening of workplaces.
- The programme will address preparing the building, workforce and organisation; 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 tide of job losses in the sector and give employees a safety through assistance to employers for relief schemes.

6.3.3 Top 10 Sectoral Priority Occupations

The INSETA has identified sector priority occupations and skills gaps through evidence-based research. These are identified through the submission of WSP/ATRs.

Response

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

6.3.4 Body of Knowledge

The INSETA, in partnership with the University of 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.

Response: The body of knowledge is developed. The following interventions will be undertaken:

- A community of expert practice will be convened by the SAIA to assess the relevance of the module and provide feedback for enhancement.
- Short-term insurers will be consulted on the approval of the modules.
- The modules will be disseminated to the insurance sector and training providers at no cost.
- The existing modules will be upgraded.

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

6.3.5 Meeting Transformation Targets

INSETA is committed to ensure increased access to training and skills development opportunities.

The INSETA projects meet baseline targets: Blacks (85%), women (54%) and People with Disabilities (4%).

Gender: The insurance sector reflects disparities between men and women at management levels. This calls for particular attention to be paid to developing the management skills of women, especially black women to effectively participate in key positions in the sector.

Race: The INSETA will 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.

People with Disabilities: The insurance sector comprises 1% of people with disabilities. The target should be 4%. The INSETA aims to open up opportunities for skills training for PWD.

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

6.3.6 Supporting Small Business, Rural Development and Cooperatives

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

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

There is a need to pay more attention to rural economic development and provision of skills for rural development. The government has prioritised rural development. The skills development system must increase its focus and attention to the production of skills for rural development.

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

6.3.7 Building Career Guidance

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

Employment opportunities for the youth abound in the insurance sector. Unfortunately, the youth 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.

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.

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

6.4 CONCLUSION

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

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