

Santam achieves satisfactory growth

South Africa's biggest short-term insurer, Santam, said on Wednesday (28 November) that despite the soft market conditions, the group had achieved satisfactory growth and underwriting profitability during the third quarter of the year.

The underwriting result was negatively affected by the adverse weather conditions in Gauteng and the Eastern Cape in October and by the extensive fires in St Francis Bay in November, the group said in an operational update to shareholders.

These claims were not expected to reach a level that would attract significant relief from catastrophe reinsurance, it added.

The specialist classes, MiWay and Santam Re continued to perform satisfactorily for the six months to June. The net underwriting margin is now at the lower end of the medium term target range of 5% to 7%.

The investment portfolio performed in line with the positive market movements experienced during the third quarter of the year.

"The group's solvency margin remains comfortably within the target range of 35% to 45%. Due to the nature of Santam's business, headline earnings are susceptible to the inherent volatility of underwriting and investment activities of the Group," Santam said.

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