MINISTRY OF FINANCE
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MEDIA STATEMENT

DEMARCATION REGULATIONS: 2026 ESCALATION OF POLICY BENEFITS

The Minister of Finance has approved the publication of the 2026 annual policy benefit escalations as defined by the Demarcation Regulations (Regulations), issued in terms of section 72 of the Long-term Insurance Act, No. 52 of 1998 (LTIA) and section 70 of the Short-term Insurance Act, No. 53 of 1998 (STIA).

These escalations update the maximum policy benefit amounts that apply under the Demarcation Regulations for 2026, giving insurers, policyholders and other stakeholders a single public reference point for the CPI-adjusted amounts.

The Regulations identify which contracts are regulated as health policies under the LTIA and as accident and health policies under the STIA. These contracts are therefore excluded from the Medical Schemes Act, No. 131 of 1998 (MSA).

Regulation 7.2(2) of the Regulations provides that all amounts referred to in sub-regulation (1) escalate annually, from the effective date, by the 2025 Consumer Price Index (CPI) annual inflation rate of 3.2 percent, as published by Statistics South Africa.

The policy benefits will continue to escalate annually as long as Regulation 7.2(2) allows for automatic escalation. The National Treasury publishes the CPI-adjusted amounts each year to ensure clarity on the escalated policy benefits.

The following supporting Annexures are updated annually and available on the websites of the National Treasury at www.treasury.gov.za and the Financial Sector Conduct Authority at www.fsca.co.za:

Annexure B: Regulation 7.2(2) (LTIA)

Annexure C: Regulation 7.2(2) (STIA)

Issued by: Ministry of Finance

Date: 01 September 2026