

DRAFT BILL ON THE INSURANCE BUSINESS

Apr 09, 2013

A new law on insurance is expected to be passed by the House and will replace the 1992 Law. The scope of the current bill on Insurance Business covers general insurance (conventional and Sharia), life insurance (conventional and Sharia), re-insurance (conventional and Sharia), insurance brokers, re-insurance brokers and loss adjusters. This scope may be broadened by the Indonesian Financial Services Authority (Otoritas Jasa Keuangan – OJK) according to the needs of the market. Insurance business licenses will be issued by the OJK. The draft bill also provides protection for insurance policy holders, to be managed by the Deposit Guarantee Agency (Lembaga Penjamin Simpanan). The draft bill also states that insurance and re-insurance companies (both conventional and Sharia) must be members of an independent and impartial mediation agency to settle disputes with insurance policy holders or beneficiaries. We will keep you informed of further details.