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INDONESIA

Law and Practice

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Contents

1. Basis of Insurance and Reinsurance Law	p.3	9. Disputes	p.8
1.1 Sources of Insurance and Reinsurance Law	p.3	9.1 Disputes Over Coverage	p.8
2. Regulation of Insurance and Reinsurance	p.3	9.2 Disputes Over Jurisdiction and Choice of Law	p.8
2.1 Regulatory Bodies and Legislative Guidance	p.3	9.3 Litigation Process	p.8
2.2 The Writing of Insurance and Reinsurance	p.3	9.4 The Enforcement of Judgments	p.8
2.3 The Taxation of Premium	p.3	9.5 The Enforcement of Arbitration Clauses	p.8
3. Overseas Firms Doing Business in this Jurisdiction	p.4	9.6 The Enforcement of Awards	p.8
3.1 Overseas-Based Insurers or Reinsurers	p.4	9.7 Alternative Dispute Resolution	p.8
3.2 Fronting	p.4	9.8 Penalties for Late Payment of Claims	p.9
4. Transaction Activity	p.4	10. Insurtech	p.9
4.1 M&A Activities Relating to Insurance Companies	p.4	10.1 Insurtech Developments	p.9
5. Distribution	p.5	10.2 Regulatory Response	p.9
5.1 Distribution of Insurance and Reinsurance Products	p.5	11. Emerging Risks and New Products	p.9
6. Making an Insurance Contract	p.6	11.1 Emerging Risks	p.9
6.1 Obligations of the Insured and Insurer	p.6	11.2 New Products or Alternative Solutions	p.9
6.2 Failure to Comply With Obligations	p.6	12. Recent and Forthcoming Legal Developments	p.9
6.3 Intermediary Involvement	p.6	12.1 Developments Impacting on Insurers or Insurance Products	p.9
6.4 Legal Requirements and Distinguishing Features of an Insurance Contract	p.6	13. Other Developments	p.10
6.5 Multiple Insured or Potential Beneficiaries	p.7	13.1 Additional Market Developments	p.10
6.6 Consumer Contracts or Reinsurance Contracts	p.7		
7. Alternative Risk Transfer	p.7		
7.1 ART Transactions	p.7		
7.2 Foreign ART Transactions	p.7		
8. Interpreting an Insurance Contract	p.7		
8.1 Contractual Interpretation and Use of Extraneous Evidence	p.7		
8.2 Warranties	p.7		
8.3 Conditions Precedent	p.7		

1. Basis of Insurance and Reinsurance Law

1.1 Sources of Insurance and Reinsurance Law

Under Indonesian laws and regulations, insurance and reinsurance business activities must comply with the relevant laws and regulations, including those issued by the government institution supervising the insurance and reinsurance business, the Financial Services Authority.

Insurance and reinsurance related matters are governed under Law No 40 of 2014 on Insurance. Aside from this law, there are also several government regulations, as well as regulations issued by the Financial Services Authority (Otoritas Jasa Keuangan or OJK) as the implementing regulations, which provide further provisions on insurance and reinsurance related matters.

In addition to the written regulations, it is not uncommon for the officials of the OJK to have their own unwritten policies (discussed below) and interpretations to the provisions of the relevant regulations.

Indonesia adopts a civil law legal system, derived from Dutch colonial law. In this legal system, the main legal source is the Law (codification system) and the justice system is inquisitorial (in which the judge has an examining or inquiring role). Further, like other civil law countries, Indonesia does not apply the rule of binding precedent (*stare decisis*) and, therefore, each case is reviewed on its own merits, in a case-by-case basis.

2. Regulation of Insurance and Reinsurance

2.1 Regulatory Bodies and Legislative Guidance

The OJK has been the supervisor and regulator of all banks and non-bank financial institutions, including insurance and reinsurance companies in Indonesia, since 2013. The OJK is also responsible for issuing insurance business licences to insurance companies and reinsurance companies. Indonesian law only allows insurance and reinsurance companies licensed by the OJK to engage in insurance and reinsurance business activities in Indonesia.

2.2 The Writing of Insurance and Reinsurance

The forms of business entity that may engage in insurance and reinsurance business recognised under the Insurance Law are limited to limited liability companies (*Perseroan Terbatas*), cooperatives and mutual funds (existing on the date on which the Insurance Law was enacted). Currently, the OJK will not issue new licences to mutual fund insurance companies.

The minimum paid up capital an insurance or reinsurance company needs under the OJK Regulation is IDR150 billion or IDR300 billion, respectively. Insurance and reinsurance companies must have at least three members on their Board of Directors and Board of Commissioners, respectively. Under OJK relevant regulations, insurance companies may expand their business activities to credit insurance and suretyship, insurance products linked to investment, etc. However, reinsurance companies may not expand their business activities.

An insurance business can be owned by either an Indonesian individual and/or an Indonesian legal entity that is directly and/or indirectly owned by an Indonesian individual, or an Indonesian individual and/or Indonesian legal entity and a foreign citizen or foreign entity that must be a similar insurance business or a holding company, one of the subsidiaries of which is a similar insurance business.

A foreign entity can own shares in an Indonesian insurance business through direct participation in the insurance or reinsurance companies, the Indonesian stock exchange (IDX), and/or participation in an Indonesian legal entity owning an insurance business either directly or through the IDX. However, foreign individuals may only own shares in an insurance business through the IDX.

To engage in the insurance business in Indonesia, a foreign entity is required to:

- have at least an A grade or equivalent credit rating from an international credit rating agency;
- be an insurance company engaged in a similar business or a parent company, one of the subsidiaries of which is engaged in a similar insurance business;
- have equity of at least five times its direct participation in the insurance company at its establishment and whenever there is a change of ownership of the insurance company; and
- satisfy other requirements imposed by the OJK from time to time.

Meanwhile, the direct participation by an Indonesian legal entity in an insurance company must be at least as much as its equity (this requirement does not apply if the Indonesian legal entity is a financial institution under the supervision of the OJK).

2.3 The Taxation of Premium

Taxation on insurance premiums is treated as income tax. Premiums are recognised as revenue when payment is due.

3. Overseas Firms Doing Business in this Jurisdiction

3.1 Overseas-Based Insurers or Reinsurers

As a general rule, the Insurance Law requires insurance objects in Indonesia to be insured with insurance or reinsurance companies holding a license from the OJK, unless:

- there is no insurance or reinsurance company in Indonesia that can handle or manage the insurance risk associated with the insured object; or
- there is no insurance or reinsurance company in Indonesia willing to provide insurance cover for the object to be insured.

Therefore, an offshore insurance company (that is not registered/licensed in Indonesia) can only market and sale its insurance or reinsurance products in Indonesia if it can satisfy one of the aforementioned requirements.

The prevailing Indonesian insurance laws and regulations are silent on providing insurance cover from outside Indonesia. Although the OJK regulation allows insurance product marketing by Indonesian insurance companies to their clients to be conducted through long distance communications, such as telephone calls, emails, traditional mail, etc, this regulation does not apply to offshore insurance companies (that engage their activities outside Indonesia) since the OJK does not have extraterritorial jurisdiction. Therefore, overseas licenses might not be recognised in Indonesia. However, in principle, the prevailing Indonesian insurance laws and regulations apply to all insurance activities engaged in within the territory of Indonesia and insurance activities targeted to both Indonesian and non-Indonesian citizens, if they are domiciled in Indonesia. Having said that, however, there is no restriction on an Indonesian citizen and/or foreign citizen from buying insurance products provided by offshore insurance companies, provided that they are buying the insurance product(s) outside Indonesia.

Indonesian insurance laws and regulations do not distinguish between insurance activities engaged in by the offshore insurer itself and those engaged in through an agent or independent broker. Even if an offshore insurer uses an Indonesian licensed agent or broker, the agent or broker should not legally be able to provide its services in this regard since the Indonesian laws and regulations clearly prohibit agents and brokers from acting for any insurance company that does not hold the proper Indonesian business license.

Offshore insurance companies may also enter into a cooperation arrangement with licensed insurance companies to market and sell the insurance products, particularly those considered to be

innovative products or have not yet been marketed and sold by insurance companies in Indonesia. However, the insurance products should be registered with the OJK under the name of the relevant Indonesian insurance company. The Indonesian insurance company will also be the one that markets and sells the insurance products to customers in Indonesia. In practice, it is allowed to mention in the marketing of the products that they are marketed and sold under cooperation between an Indonesian insurance company and a certain offshore insurance company.

3.2 Fronting

Fronting practices are prohibited under Indonesian laws and regulations. This is specifically regulated under the OJK Regulations, which requires every insurance company to implement self-retention limits to the risks that may be imposed to them.

The following is the general procedure for obtaining a business license for an insurance or reinsurance company under Indonesian laws and regulations:

- the company must first sign a Deed of Establishment before a public notary and obtain an approval from the Minister of Law and Human Rights (MOLHR) on the company's establishment;
- the company is required to submit the application for a business license to the OJK. The application must be supported by documents including the company's organisational structure, a list of shareholders, the business plan for the following three years, its risk management guidelines, and the good corporate governance guidelines etc as required under the relevant regulations and the applicable policy of the OJK; and
- while the business license application is being processed, the directors, commissioners, controlling shareholder, controller, shari'a supervisory board, internal auditor and actuary must take and pass the fit and proper test conducted by the OJK, the application for which must be submitted together with the application for a business license.

4. Transaction Activity

4.1 M&A Activities Relating to Insurance Companies

Indonesia adopts the Single Presence Policy under the Insurance Law and OJK Regulation, which means that an individual or entity may not act as the controlling shareholder in more than one insurance company.

In order to comply with this requirement, the controlling shareholder can consider merging, consolidating, transferring some

or all of its shares, or any other corporate action approved by the OJK.

In addition, an insurance company of whatever type can only undertake one type of insurance. For example, a life insurance company can only engage in the life insurance business, which includes annuity, health and self-accident insurance, while a general insurance company can only engage in the general insurance business, which includes health and self-accident insurance and reinsurance.

A reinsurance company can only engage in reinsurance activities.

Please also refer to the requirements that apply to the shareholders of an insurance business.

5. Distribution

5.1 Distribution of Insurance and Reinsurance Products

The OJK Regulation only allows Indonesian insurance companies to promote/market their products through the following media.

Direct Marketing

Direct marketing may use remote communication media, which requires the insurance company to provide such information as their identity, a description of the product offered, and the terms and conditions of the insurance policy.

Insurance Agents

Insurance agents are persons working independently or for business entities, acting for and on behalf of insurance companies that satisfy the requirements for representing insurance companies and marketing insurance products.

Insurance agency companies and individual agents must be registered with the OJK and agents who work for insurance agency companies and individual agents must have sufficient knowledge and ability as well as a good reputation.

Insurance companies that market/promote their products through an insurance agent must enter into an agency agreement with the insurance agent who will market/promote their products, and make sure that the insurance agent has an agency certificate issued by the association of similar insurance companies.

Any insurance company that markets its products through insurance agents must satisfy the following minimum requirements:

- provide sustainable education and training to its insurance agents so that they can perform their duties with a high level of competence and integrity;
- include the code of conduct issued by the association of similar insurance companies in its agency agreement with the insurance agents; and
- require the insurance agents to comply with the code of conduct or similar issued by the association of similar insurance companies according to the line of business as well as sanctions that may be imposed for any violation.

An insurance company that markets/promotes its products through an insurance agent is fully responsible for the consequences of any insurance agreement entered into by the agent with the customer. Insurance companies are prohibited from appointing/employing insurance agents who are still bound under another agency agreement. Any agreement must have expired at least six months previously.

Bancassurance

Insurance companies may only market their products through bancassurance after obtaining approval from the OJK. Insurance companies must also make sure that the party marketing their products is delivering clear, honest and correct information about them, and will be held responsible for any action it takes related to the marketed insurance products. In addition to the relevant regulations of the OJK, in conducting bancassurance activities, the company and particularly the relevant bank must also comply with the relevant regulations issued by Bank Indonesia.

Entities Other Than Banks

To promote their products through entities other than banks, insurance companies require prior written approval from the OJK.

Indonesian insurance companies that intend to market/promote their products through the media set out in the points above must have written agreements with the parties who will perform the marketing, eg, a written agreement between the insurance company and the marketer, such as the agent, bank or entity other than a bank.

6. Making an Insurance Contract

6.1 Obligations of the Insured and Insurer

Under the OJK Regulation, insurance companies are entitled to confirm that consumers (insured) are acting in good faith and to obtain correct, clear, honest and non-misleading information and/or documents from the insured.

Insurance companies are also required to make available and/or provide correct, clear, honest and non-misleading information about the products and/or services they offer. This information must be provided in the document or through any other means that can be used as evidence. The information must be conveyed at the time the insurance company explains the rights and obligations to the insured, signs the insurance contract, and when providing it through various media.

6.2 Failure to Comply With Obligations

The following administrative sanctions may be imposed on any party that violates the OJK Regulation:

- written warning(s);
- a fine;
- a limitation on its business activities;
- a suspension of its business activities; and
- finally, the revocation of its business license.

The sanctions set out in bullet points one to five above can be imposed with or without first serving a written warning.

6.3 Intermediary Involvement

Generally, intermediary involvement may involve insurance agents and brokers.

Insurance agents are persons working independently or for business entities. However, they must protect the interests of the policyholder, insured, participant and/or other beneficial party so that they can enjoy their rights and entitlements under the relevant insurance policy that they offer. Therefore, insurance agents are required to evaluate the needs of these parties and provide them with proper and adequate materials/relevant information.

Brokers must work for an insurance broker company and satisfy the requirements for providing recommendations or representing policyholders, insured parties and participants when entering into insurance agreements and/or claim settlements.

Insurance brokers are entitled to provide recommendations, represent policyholders in the closure of insurance cover and/or the settlement of claims. For their services, insurance brokers are responsible to the policyholders.

6.4 Legal Requirements and Distinguishing Features of an Insurance Contract

There is not much difference between a consumer contract and a commercial contract. Both must satisfy the requirements for the validity of an agreement under the Indonesian Civil Code:

- mutual agreement between the parties;
- legal capability of the parties to enter into the agreement;
- certain subject matter; and
- valid cause.

Under the Indonesian Commercial Code, insurance is an agreement between the insurer and the insured party under which the insurer agrees to compensate the insured party for any loss, damage or loss of revenue upon the occurrence of certain events, in return for a premium from the insured party.

According to the Insurance Law, insurance is a written agreement between the insurance company and the policyholder under which, in return for a premium, the insurance company agrees to either:

- provide compensation to the insured party or policyholder for a loss, damage, cost, loss of revenue or legal liability to any third party that the insured party or the policyholder may suffer because of a certain event; or
- provide payment upon the death of the insured party according to a stated benefit and/or based on the result of its fund management.

Under the OJK regulation, the insurance contract (insurance policy) must contain at least:

- the effective date of the coverage;
- a description of the agreed-to benefits;
- the premium payment method;
- the premium payment grace period;
- the rate used for the insurance policy in a foreign currency if the premium payment and the benefits are associated with the IDR currency;
- the provision on when the payment for premium is acknowledged;
- the company's policy if the premium is paid after the agreed-to time limit;
- the incontestable period for a long-term insurance product; and
- a cash value table.

For insurance products marketed by life insurance companies which contain cash values, the contract must also include:

- the calculation of dividends from an insurance policy or similar;
- a termination clause, whether initiated by the company or the policy holder, the insured, or the participant, including their terms and causes, the terms and procedure for filing a claim, including the relevant supporting evidence and documents required to support a claim;
- the procedure for settling and paying claims;
- a dispute settlement clause that includes, among other things, a settlement mechanism in court as well as outside court and the venue chosen for dispute settlement; and
- the language version to be referred to in the event of a dispute or difference of opinion, if the insurance policy is drawn up in two or more languages.

Under the OJK regulation, a reinsurance agreement must be drawn up in writing and may not contain a promise of certain profit for the reinsurance company. A reinsurance agreement must contain a statement that if the insurance company is liquidated, the rights and obligations of the insurance company that arise from a reinsurance transaction will remain binding until one or both of the companies are liquidated.

Other than the above, the following terms should also be incorporated in insurance contracts under the Commercial Code and the Civil Code:

- Duty of utmost good faith. The insurer and the insured are under a duty to act in utmost good faith at all times when carrying out their rights and obligations under insurance policies.
- Insurable interest principle. The insured party must have an interest in the insured object.
- Indemnity principle. Any insurance for more than the amount of the real value or the real interest of the insured object is only valid up to the amount of the real value or real interest.
- Minimisation of loss principle. The insured has the duty to minimise any loss or damage suffered.

6.5 Multiple Insured or Potential Beneficiaries

An insurance contract can be issued for the benefit of third parties, known as third-party liability insurance. The general requirements for an insurance contract explained above also apply to this type of insurance contract.

6.6 Consumer Contracts or Reinsurance Contracts

The main difference in regard to consumer contracts or reinsurance contracts is the insured party. A consumer contract may provide insurance to various parties, whereas reinsurance contracts only insure insurance companies, underwriters or guar-

antor companies and other reinsurance companies. Reinsurance contracts must also meet the same requirements as insurance contracts, see **6.4 Legal Requirements and Distinguishing Features of an Insurance Contract**.

7. Alternative Risk Transfer

7.1 ART Transactions

The alternative risk transfer that is currently recognised in Indonesia is the transfer of risk, which is covered under the OJK Regulation. Meanwhile, insurance and reinsurance companies must determine their own retention of risk according to their risk and loss profile. The amount retained depends on the line of business and the company's own capital.

7.2 Foreign ART Transactions

Generally, there is no specific regulation relating to foreign ART Transactions (ie, ART written in and governed by other jurisdiction). Regulations applicable in a foreign ART Transaction must be determined in a case-per-case basis.

8. Interpreting an Insurance Contract

8.1 Contractual Interpretation and Use of Extraneous Evidence

Insurance contracts are interpreted in the same way as any other contract. Indonesian law tends to take a subjective approach to the interpretation of contracts by considering the intent of parties. The intent of the parties can be interpreted from the facts and circumstantial evidence related to the parties' transaction during the pre-contractual phase, contractual phase and post-contractual phase.

In consumer contracts, the seller usually has a stronger bargaining position than the consumer because the conditions for a standard contract are determined only by the seller. However, some conditions in this kind of contract may be illegal. In Indonesia, consumers are protected under the Indonesian Consumer Law.

8.2 Warranties

The warranties and the conditions precedent to the insurer's liability should be expressly stated in the insurance contract to ensure that an obligation will be performed or not performed. A violation can be considered a breach of contract and the injured party can file a civil lawsuit in the court of law.

8.3 Conditions Precedent

See **8.2 Warranties**.

9. Disputes

9.1 Disputes Over Coverage

The parties are free to choose the dispute settlement forum (either the District Court, arbitration or an alternative dispute settlement forum). Under the OJK Regulation, the alternative dispute resolution forum in the insurance sector must be registered with the OJK. The Indonesian Insurance Mediation and Arbitration Agency (Badan Mediasi dan Arbitrase Asuransi Indonesia or BMAI) is an insurance dispute settlement agency registered with the OJK.

Indonesian law requires the position of the consumer (insured) and the insurer to be equal and protects the consumer's rights. Otherwise, the OJK is entitled to impose a sanction. See **6. Making an Insurance Contract**.

9.2 Disputes Over Jurisdiction and Choice of Law

Disputes over jurisdiction and choice of law are settled through the choice of jurisdiction and choice of law the parties agree to under the contract. If the parties do not determine them, any dispute can be settled through the competent District Court or an agreed alternative dispute settlement forum.

9.3 Litigation Process

In brief, Indonesian court proceedings in a civil case in the District Court generally comprise the following:

- The plaintiff submits its lawsuit. At this stage, the plaintiff does not have to attach any evidence.
- The court registers the lawsuit after the plaintiff pays the court fees and then summonses the parties.
- During the first court session, the panel of judges (the POJ) verifies the powers of attorney of those representing the plaintiff and the defendant. The POJ then refers the parties to mediation and gives them time to reach an amicable settlement.
- In the next court session, the POJ asks if a settlement has been reached. If not, the POJ asks the defendant to provide its Response.
- In the following court proceedings, the defendant provides its response and the plaintiff can then prepare its counter-plea.
- The defendant is given time to provide its rejoinder.
- The following court sessions are dedicated to the verification and examination of the evidence, including presentations by the witnesses, if any.
- The parties are then given time to prepare their respective conclusions.
- Finally, the POJ hands down its ruling.

The losing party at District Court level can appeal to the High Court and then to the Supreme Court.

9.4 The Enforcement of Judgments

If the final court ruling finds for the plaintiff, but the defendant does not comply voluntarily, the plaintiff can apply to the original District Court and pay the court fee for its execution. An execution order (*penetapan eksekusi*) can then be issued against the defendant's assets. The chairman of the District Court summonses the defendant to be present before the chairman to be formally notified of its obligation to abide by the court decision. If the defendant still does not comply, the defendant's assets will be sold at public auction.

Foreign court rulings cannot be enforced in Indonesia directly. A new lawsuit must be filed in an Indonesian court. The foreign court ruling may be introduced as evidence in the new proceedings, although, in principle, Indonesian courts are not bound by the findings of foreign courts.

9.5 The Enforcement of Arbitration Clauses

Under the Indonesian Arbitration Law, arbitration clauses in commercial insurance and reinsurance contracts can be enforced and preclude the parties from submitting the dispute to the courts. The courts must dismiss a dispute if the parties have agreed to arbitration.

9.6 The Enforcement of Awards

Awards from an arbitral tribunal are final and binding. If the award is a domestic arbitration award, to enforce it, it must be submitted and registered by the arbitrator or its proxy with the Registrar of the District Court within 30 days of the date the award was issued.

To enforce a foreign arbitration award, it must be submitted and registered by the arbitrator or its proxy with the Registrar of the Central Jakarta District Court (CJDC). The chairman of the CJDC will then issue an exequatur order so that the award can be enforced in Indonesia.

9.7 Alternative Dispute Resolution

If either party does not comply with the arbitration award voluntarily, confirmation of the award will be issued under an order of the chairman of the District Court upon the request of the other party.

The parties are free to choose the dispute settlement forum. As explained above, one of them is BMAI. However, under its own rules, the BMAI can only handle insurance disputes that are over either:

- claims of less than IDR750 million in the general insurance sector; or
- claims of less than IDR500 million in the life insurance and social security sector.

9.8 Penalties for Late Payment of Claims

Under the prevailing Indonesian insurance laws and regulations, if the insurer is late in settling the claim or improperly delays settling the claim, the OJK can have imposed on the insurer a written warning, followed by a limitation on its business activities and finally the revocation of its business license.

10. Insurtech

10.1 Insurtech Developments

The Indonesian insurance industry has yet to fully take advantage of the opportunities that financial technology offers, in particular, insurance technology.

However, many companies are starting to develop and expand their business by introducing Insurtech programmes to their consumers. Most notably, there are several insurance brokers companies who are now mainly using a web-based platform to provide their services to the customers/insured.

10.2 Regulatory Response

The OJK is currently preparing and discussing technical regulations covering digital insurance. The rules will serve as guidelines for marketing insurance products digitally or electronically. The OJK will also monitor Insurtech operations closely to ensure compliance with the prevailing regulations relating to, among others, the consumer protection rules and standards.

11. Emerging Risks and New Products

11.1 Emerging Risks

The Peer-to-Peer lending (P2P Lending) industry is developing rapidly in Indonesia. According to OJK's database, the accumulated loan from P2P Lending has increased around 80% as of May 2019 compared to last year. Risk in P2P Lending is also notable depending on the nature of the available loan (eg, Consumer loan may have higher risk compared to loan for business purpose). This provides opportunity for insurance companies to step in.

11.2 New Products or Alternative Solutions

OJK and insurance associations have encouraged for P2P Lending to cooperate with insurance companies. In fact, some insurance companies have started to issue insurance products for P2P

loan. However, as stated above, risk exposure varies between different types of loan and it is also dependant on the debtor.

12. Recent and Forthcoming Legal Developments

12.1 Developments Impacting on Insurers or Insurance Products

Recently, the Ministry of Finance issued Ministry of Finance Regulation Number 97/PMK.06/2019 on Insurance for State-Owned Assets. The changes the new regulation has introduced include, among others, the establishment of a State-Owned Asset (SOA) Insurance Consortium and the types of SOA that may be insured.

The current regulation requires an insurance or reinsurance company to insure or reinsure an asset through the SOA Insurance Consortium. The Indonesian General Insurance Association (Asosiasi Asuransi Umum Indonesia or AAUI) has established the SOA Insurance Consortium among more than 50 insurance and reinsurance companies.

Under the new regulation, the types of SOA that can be insured have also been reduced. Previously, the regulation allowed buildings and structures, bridges, motor vehicles (air, water, and land transportation) and other objects determined by the SOA Manager to be insured. However, now the only SOAs that may be insured are buildings and structures.

In addition, to provide certainty regarding the income tax life insurance companies must pay, the Directorate General of Tax issued Regulation Number SE-08/PJ/2019 on Insurance Claims/Benefits of Life Insurance Companies. This regulation covers the establishment of a premium reserve for life insurance companies, insurance claims and benefits; and the calculation of the income tax due.

Another legal development is the issuance of OJK Circular Letter No 14/SEOJK.05/2019 on the Formulation, Composition of Members and Working Term of Committees in the Board of Commissioners of Insurance Companies, Syariah Insurance Companies, Reinsurance Companies and Syariah Reinsurance Companies as an implementing regulation of OJK Regulation 73/POJK.05/2016 which requires for the establishment of Audit Committee and Risk Monitoring Committee. The circular letter provides technical provision on those committee such as the requirement to have committee charter, certain composition of committee member, criteria for independency, and other provisions. In addition, the circular letter also allows other committees to be established such as Remuneration and Nomination

Committee, Corporate Management Policy Committee and other committees depending on company necessity.

13. Other Developments

13.1 Additional Market Developments

We are aware that currently the OJK is in the process of reviewing a new business model called a “credit scoring business” as part of the Digital Financial Innovation (Inovasi Keuangan Digital, IKD) through a regulatory sandbox under OJK Regulation 13/POJK.02/2018. In October 2019, 8 companies engaged in the credit scoring business were registered for the OJK’s regulatory sandbox. Based on the registered credit scoring companies, a credit scoring business is one that provides services to financial institutions and/or companies including giving them a credit score to use to determine certain aspects of their business or commercial decisions. As insurance companies are also financial institutions, it is possible that credit scoring businesses may contribute to/support insurance businesses.

The OJK introduced its regulatory sandbox and the IKD concept under OJK Regulation 13/POJK.02/2018 which defines an IKD as a new activity involving a business process, business model or financial instrument that adds value to financial services involving a digital ecosystem. The OJK introduced the IKD and its regulatory sandbox program in order to accommodate activities related to financial services that are not specifically regulated. As innovation related to financial services and technology is developing rapidly, the introduction of the IKD and the OJK’s regulatory sandbox is one of the government’s efforts to keep abreast of technological development and allow innovations to be available in the market while simultaneously assessing the products and services without prohibiting or hampering the development or implementation of innovations that are not yet regulated in Indonesia.

If after the regulatory sandbox, the OJK decides that a “credit scoring business” requires a specific business license from the OJK, the OJK may issue a regulation on this line of business in the following year. Given the above, a new line of business contributing to and supporting the operations of insurance companies in Indonesia may be available soon.

INDONESIA LAW AND PRACTICE

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Makarim & Taira S is one of Indonesia's leading-full service law firms and has a proven track record of successfully navigating the country's complex and fast-changing environment. The firm excels in both the traditional practice areas of corporate services, banking, finance, foreign investment, litigation, infrastructure and employment, insurance, as well as in emerging growth areas such as power, intellectual property, telecommunications and IT/digital. Long considered one of Indonesia's leaders in corporate and banking/finance practices, the firm

has been recognised for its work on high-profile infrastructure and power projects, as well as its legal expertise in the oil and gas sector. The firm's expertise is also sought by the Indonesian government, which has invited M&T to provide advice on a number of key legislative developments.

This chapter was prepared with the support and assistance of the following associates: Ghaliva Nadira Sjarif and M. Ryandaru Danisworo.

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