

Legal Protection for Policy Holders of Life Insurance Berhad Bumiputera 1912 Due to Default

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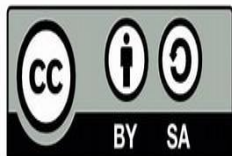
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Abstract: Insurance companies in Indonesia, including Life Insurance Together Bumiputera 1912, hereinafter referred to as AJB Bumiputera 1912, continue to innovate to provide the best service to customers. However, problems arise when this company fails to pay claims to policyholders, causing dissatisfaction among customers. The legal protection provided to customers is outlined in the Civil Code, hereinafter referred to as KUHPPerdata. The purpose of this research is to understand what legal protection means for policyholders as insured parties of AJB Bumiputera 1912 who suffer losses due to default. This research utilizes a normative juridical method, which involves studying and examining the implementation of the rules and regulations in existing positive law in Indonesia to analyze the South Jakarta District Court's decision regarding default. The conclusion of this research is that legal protection allows customers to file lawsuits in the event of default by the insurance company, such as delays in claim payments. Insurance companies have a legal obligation to pay compensation or cover losses arising from claims filed by policyholders in accordance with applicable provisions. The South Jakarta District Court granted the plaintiff's lawsuit and ordered the defendant to pay the insurance claim, late interest, and court costs. This demonstrates the importance of legal protection for customers in legal relationships with insurance companies to maintain fairness and balance.

Keywords: Insurance; Breach of Contract; Legal Protection.



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I. INTRODUCTION

Various insurance companies in Indonesia compete with each other to provide the best services to customers. It is not surprising that many insurance companies continue to innovate in their products to attract customer attention. These innovations are not limited to insurance products, but also include the provision of risk mitigation services. One significant example of an insurance company in Indonesia is Bumiputera Insurance, which is part of a State-Owned Enterprise (BUMN). The insurance products they offer include individual insurance, group insurance, and Financial Institution Pension Funds (DPLK). Bumiputera Life Insurance 1912, established 111 years ago, has become one of the largest life insurance companies in Indonesia. However, issues arise when the company fails to pay claims to policyholders, as well as the lack of understanding by policyholders of the agreements or policies that have been approved. Therefore, legal protection for policyholders becomes important to ensure that the risks transferred to the insurance company can be managed properly.

The insurance law in Indonesia has undergone significant development and is regulated by various regulations, including the *ordonantie op het Levensverzekeringbedrijf*, the Civil Code (KUHPerduta), the Commercial Code (KUHD), and Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector. These regulations govern various aspects of insurance after Indonesia's independence. Legal protection for customers is regulated in these laws, especially in dealing with defaults. However, as in any industry, challenges and issues arise, where it is not uncommon for insurance companies to fail to meet their obligations to policyholders, whether in terms of claim payments, services that do not comply with agreements, or discrepancies with the agreements that have been made. For example, the case filed in the South Jakarta District Court in 2020 by a policyholder due to the insurance company failing to fulfill the claim payment, resulting in dissatisfaction and losses for the policyholder.

This research aims to conduct an in-depth study on the legal protection for policyholders who suffer losses in the context of default. The focus of this study is to discover the forms of legal protection for policyholders as the insured against the losses they incur in the insurance agreement of AJB Bumiputera 1912. Then, to understand and find out about the responsibilities of AJB Bumiputera 1912 as the insurer in the insurance agreement. Furthermore, to ascertain whether the legal considerations of the judges in Decision Number 482/Pdt.G/2020/PN JKT.SEL are in accordance with the applicable laws in Indonesia or not.

The impact of this breach of contract not only has financial consequences for the policyholders but can also lead to a lack of trust in the insurance industry as a whole. Therefore, legal protection for policyholders is very important in addressing this issue. In the context of the insurance agreement, legal protection serves as a crucial foundation for the relationship between the insurance company

and the policyholders. Based on the above description, the issues can be stated as follows: The forms of legal protection available for the policyholders of Asuransi Jiwa Bersama Bumiputera 1912 as the insured (customers) are an essential aspect to be analyzed. In addition, the liabilities of Asuransi Jiwa Bersama Bumiputera 1912 towards its policyholders are a key focus in understanding the legal relationship between the insurance company and its customers.

With various issues and protections governed by law, research on legal protection for policyholders of PT Asuransi Jiwa Bersama Bumiputera 1912 due to default becomes relevant for further study. Thus, this research will further examine the legal protection for policyholders of Bumiputera 1912 Life Insurance as a response to the default cases that occurred, as stated in the South Jakarta District Court Decision Number 482/Pdt.G/2020/PN JKT.SEL. Through this research, it is hoped that solutions or recommendations can be found to enhance legal protection for policyholders in the life insurance industry in Indonesia.

II. METHODS

This research uses a normative legal research method. This approach involves investigating and examining the implementation of rules and regulations in positive law in Indonesia that are relevant to the research topic. The scope of the research includes an analysis of the decision of the South Jakarta District Court regarding breach of contract to understand the form of legal protection provided to customers as the plaintiff.

The research approach used in this study consists of two main methods: the legislative approach and the conceptual approach. The legislative (statute) approach involves analyzing laws and regulations relevant to the legal issues under examination. This study specifically refers to Law Number 40 of 2014 concerning Insurance, which serves as the primary legal framework for addressing the research problems. In addition, the conceptual approach is employed by referencing legal doctrines and relevant case law, ensuring that the analysis remains aligned with established legal norms. This approach utilizes concepts such as legal protection, insurance, agreements, and breach of contract as theoretical foundations to guide the problem-solving process throughout the thesis.

III. ANALYSIS AND DISCUSSION

Legal Protection for Policyholders as Customers

Principles of Consumer Protection

The principle of consumer protection in Indonesia is based on various regulations and laws aimed at protecting the rights of consumers and creating a fair business environment. Legal protection provides shelter for the human rights of those harmed by others, and such protection is granted so that consumers can enjoy it. In this context, the laws enacted will provide a legal basis for consumers or clients to file lawsuits if the relevant business actors commit violations.

Legal protection for consumers or policyholders who experience failure in insurance claim payments due to default by the insurance company is an important aspect in maintaining fairness and the rights of consumers. Default by the insurance company harms the policyholders who should be entitled to the benefits of their policies. This is evident in the case between AJB Bumiputera 1912 and Alexander Phuk Tjilen as stated in Decision Number 482/Pdt.G/2020/PN JKT.SEL where the insurance company did not pay the policyholder according to the agreement.

Legal protection for policyholders is also regulated in Article 31 Paragraph (4) of Law Number 40 of 2014 concerning Insurance, which emphasizes that insurance companies are prohibited from taking actions that can delay the resolution or payment of claims, or failing to take actions that should be taken, resulting in delays in the resolution or payment of claims. If an insurance company violates the provisions set forth in Article 31, the company will be subject to sanctions based on Article 75. Article 75 regulates the sanctions that can be imposed on insurance companies that violate, such as administrative sanctions in the form of written warnings, fines, restrictions, and freezing of business activities, as well as revocation of business licenses.

The principle used in this legal protection is based on the theory of Moch. Isnaeni, where legal protection is built on the foundation of agreement.¹ An insurance contract is an agreement established by the insurance company as the insurer as a standard contract to then be signed together with the policyholder as the insured. The occurrence of losses due to breach of contract can be caused by two (2) things, namely either intentional or due to negligence.

Stated in Decision Number 482/Pdt.G/2020/PN JKT.SEL regarding the matter on page 5 which contains "That due to the fact that the Plaintiff has reminded the Defendant I to fulfill his legal obligations to the Plaintiff through warning letters as outlined above and the Plaintiff has also sent copies of the warning/demand letters to Defendant II and Defendant III via electronic mail, it turns out that the Plaintiff's warning letters were ignored by the Defendants or at least by Defendant I, therefore referring to the provisions of Article 1236 in conjunction with Article 1243 of the Civil Code. The Defendants or at least Defendant I, must be declared to have committed a default that harms the Plaintiff," it can be said to be negligent, because they did not fulfill their obligations or were late in fulfilling them, but not as has been agreed. If negligent, the Plaintiff, as the creditor, can only demand payment of compensation, costs, and interest as stipulated in Article 1247 of the Civil Code. According to the lawsuit filed by the Plaintiff demanding the Defendants to make the insurance claim payment to the Plaintiff as the policyholder of AJB Bumiputera 1912 with policy number 2004461210 amounting to Rp 602,862,675 (six hundred two million eight hundred

¹ Rifaldi, Fakhry, Apriano, "Legal Protection of Creditors in Inheritance of Unmanaged Estate According to the Western Inheritance System", Journal of Legal Communication 7, no.1 (2021) : 2407-4276, <https://ejournal.undiksha.ac.id/index.php/jkh>

sixty-two thousand six hundred seventy-five rupiah), pay interest on the late payment of the insurance claim of 2.5% (two point five percent) per month calculated from the due date of the insurance until this lawsuit is filed with the South Jakarta District Court or in the amount of Rp 135,644,101 (one hundred thirty-five million six hundred forty-four thousand one hundred one rupiah), as well as pay all costs arising from this case.

Legal Protection for Customers based on Civil Law

Legal protection for consumers according to civil law is an important aspect in maintaining balance and fairness between the parties involved. Civil law refers to civil laws in a broader scope, not only encompassing Civil Law itself, but also Commercial Law along with the civil principles outlined in various other laws and regulations. The Civil Code provides the legal basis regulating the rights and obligations of consumers and producers as business actors.²

The arrangements for legal protection for consumers or clients reflect legal awareness of the importance of protecting the weaker party in legal relationships, particularly in consumer transactions. Here are some relevant legal bases related to consumer protection in the Civil Code:

1. Article 1320 of the Civil Code

This article regulates the requirements for the validity of agreements, which has the consequence that a policyholder who believes that the occurrence of the insurance agreement was caused by misrepresentation, coercion, or deception by the insurer can file a request for annulment of the insurance agreement to the court. If the insurance agreement is canceled, either wholly or partially, and the insured or the policyholder acts in good faith, the policyholder is entitled to request a refund of the premiums that have been paid.

2. Article 1267 of the Civil Code

This article applies to insurance agreements where the insurer has an obligation to compensate for losses or a sum of money to the insured, and if the insurer fails to fulfill the obligation, the customer as the policyholder can claim reimbursement for compensation costs and interest.

3. Article 1338 of the Civil Code

This article contains several principles in an agreement or contract. First, there is the principle of obligation, which means that in an insurance agreement, it indicates that the insurer and the insured or policyholder have an obligation to comply with the agreed terms of the agreement. The customer as the policyholder has a legal basis to demand the insurer to fulfill its performance. Secondly, the principle of trust that the agreement generates mutual trust between both parties, where each is expected to fulfill their commitments to perform obligations as agreed. Thirdly, the principle of good faith which means that all agreements,

² Ryan, Annalisa, Syaifuddin, *Legal Protection for Commodity Futures Trading Customers Against Breaches by Online Commodity Futures Brokers*, Scientific Journal of Legal Science Lex LATA 2, no. 1, (2020), p. 542-555, <https://doi.org/10.28946/lexl.v2i1.526>

including insurance agreements, are interpreted comprehensively as a necessity for the parties to carry out the agreement while considering ethics and courtesy.

In addition, the legal protection provided is also adjusted to the legal considerations of the panel of judges that involve the legal framework of the agreement in assessing the validity and implementation of an agreement. The panel of judges will evaluate how the parties interpret the clauses of the agreement and to what extent that interpretation is in accordance with the applicable legal norms. By considering all these factors, the panel of judges can reach a fair and comprehensive decision, prioritizing the principle of justice while maintaining the stability and integrity of contractual law in society.³

The legal considerations of the panel of judges can be analyzed based on the principles of the agreement, including the following:⁴

1. The Principle of Consensualism

The concept of consensualism in contract law reflects in Article 1320 of the Civil Code that a contract is valid if it contains an offer, acceptance, and agreement on a certain matter that is the subject of the contract. This article emphasizes that for a contract to be considered valid, it is sufficient to have the three aforementioned elements between parties who are of sound mind and have reached the appropriate age of 21 (twenty-one) years, unless there is a prohibition or legal provision that regulates otherwise.⁵ This principle stresses that the validity of a contract does not depend on a specific form or formalities, but rather on the agreement among the involved parties.⁶

In determining legal decisions related to agreements, the panel of judges provides primary considerations based on the principle of consensualism. This principle emphasizes that the validity of an agreement is based on the existence of mutual consent among the parties involved. The judges will carefully examine whether there is a clear and unequivocal agreement between the parties involved in the contract. They will evaluate whether the agreement is voluntary and whether the parties understand the implications of the agreement they have made.

In addition, the principle of consensualism also encourages judges to respect the autonomy of the parties in making agreements. Judges will examine whether the agreement was made under coercion or pressure, thus ensuring that each party has

³ Muhammad Natsir Asnawi dan Edi Hudiata, "Delimitation of Freedom of Contract Principle and Judge's Corrective Function in Assessing the Parties' Positions on an Agreement," *Mimbar Hukum* 29, no. 1 (2017): 150–61, <https://doi.org/10.22146/jmh.16889>.

⁴ Gusti Ayu Sri Krisnayanti dan A.A. Istri Eka Krisna Yanti, "Pengimplemetasian Asas dalam Hukum Perikatan Khususnya Asas Konsensualisme," *Presidensial: Jurnal Hukum, Administrasi Negara, dan Kebijakan Publik* 2, no. 1 (2023): 1–13, <https://doi.org/10.62383/presidensial.v2i1.496>.

⁵ Tasya Nurul Huda, *Legal Aspects of Judges' Considerations in Determining Force Majeure Conditions in Debt Dispute Cases*, Thesis: Law Faculty, Medan Area University, 2021, p. 76., <https://repository.uma.ac.id/jspui/bitstream/123456789/16254/1/178400008%20-%20Tasya%20Nurul%20Huda%20-%20Fulltext.pdf>

⁶ *Ibid.* p. 77

the freedom to determine the terms of the agreement according to their own will. A clear understanding of the principles of consensualism will serve as a basis for judges to interpret and apply contract law by considering the essence of the parties' agreement.⁷

In relation to Decision Number 482/Pdt.G/2020/PN JKT.SEL on page 20, it is proven that Alexander Phuk Tjilen as the Plaintiff is the policyholder of AJB Bumiputera 1912 with policy number 2004461210 as per the Life Insurance agreement dated September 1, 2004, issued by AJB Bumiputera and signed by the Plaintiff, with the agreed type of insurance being a happy fund insurance without a medical examination with a profit-sharing scheme, where the insurance is valid for 15 (fifteen) years with a sum assured set by AJB Bumiputera 1912 amounting to Rp 150,000,000 (one hundred fifty million rupiah) and with a basic premium of Rp 23,245,000 (twenty-three million two hundred forty-five thousand rupiah).

2. The Principle of Personality

The principle of personality in civil law generally relates to the principle that a person's legal rights and obligations cannot be transferred to others without valid consent. This principle governs individual rights, such as personality rights, rights over the body, and other personal rights. For example, as stated in Article 1365 of the Civil Code, any act that violates the rights of others must be ceased and compensation must be demanded.⁸

The principle of personality serves as an important foundation for the considerations and assessments of the judges. This principle emphasizes that agreements must reflect the integrity and dignity of the parties involved. The judges will examine whether the agreement aligns with the moral and ethical values upheld by society, and whether its implementation is in accordance with the principles of good personality.⁹

The principle of personality also includes an evaluation of fairness and honesty in contractual relationships. The judge will assess whether the parties acted in good faith and in accordance with the applicable moral norms. If there is evidence of a violation of the principle of personality, the judge may take this into consideration when making a legal decision.

The principle of personality is important in protecting these rights and ensuring that the agreements do not harm or unfairly disadvantage one of the parties. By basing its legal considerations on the principle of personality, the court aims to maintain a balance between contractual interests and moral principles.¹⁰

⁷ *Ibid.* p. 79

⁸ Niru Anita dan Tiberius Zaluchu, *The Role of the Principles of Contract Law in Achieving the Objectives of the Agreement*, Bina Mulia Law Journal, 7, no. 2 (2018), p. 38-56, <https://doi.org/10.35968/jh.v8i1.137>

⁹ *Ibid.*

¹⁰ *Ibid.* p. 118

Thus, the legal decisions made will reflect the ethical and moral values respected in society, along with the enforcement of fair and personality-based law.

In relation to Decision Number 482/Pdt.G/2020/PN JKT.SEL on page 22, it states that the Plaintiff has fulfilled the obligation to pay the Annual Premium to the Defendants until the end of the contract. The Plaintiff then submitted the insurance claim to the Defendants on August 6, 2019, before the insurance period ended. Furthermore, as of the due date, the Defendants had not fulfilled their obligation regarding the insurance claim, even though a notice/reminder had been submitted.

3. The Principle of *Pacta Sunt Servanda*

This principle is a fundamental principle in contract law derived from Latin, which literally means agreements must be kept. This principle implies that the parties involved in an agreement must adhere to and fulfill the provisions that have been agreed upon in the contract.¹¹ This principle reflects trust in the validity and legal strength of agreements.

The judges, in evaluating a case, often base their legal considerations on binding principles as laws. This principle indicates that a valid and legally binding agreement must contain provisions that explicitly bind the parties involved. The judges will examine whether the agreement complies with the formal and material requirements set by the applicable law.

The panel of judges will examine whether the process of making the agreement was carried out correctly, as well as whether its contents comply with the applicable legal norms.¹² In the context of the binding nature of contracts as law, the judges will also assess whether the provisions of the agreement can be applied and executed in accordance with the prevailing legal regulations. If there are discrepancies or violations of the governing laws, the judges may take the necessary legal actions to enforce compliance with those legal norms.¹³

In connection with Decision Number 482/Pdt.G/2020/PN JKT.SEL, that the Defendants have been proven to have committed a breach of the insurance agreement. Therefore, the panel of judges declares the Defendants to make payment of the insurance claim to the Plaintiff as the policyholder of AJB Bumiputera 1912 with policy number 2004461210 in the amount of Rp 602,862,675 (six hundred two million eight hundred sixty-two thousand six hundred seventy-five rupiah) in cash when the court's decision in the matter is pronounced. The panel of judges also orders the Defendants jointly and severally to pay interest on the Plaintiff's insurance claim delay at a rate of 6% (six percent) per year calculated from the due date of the insurance claim payment. Furthermore, the panel of judges also orders

¹¹ *Ibid*, p. 116

¹² Wamadewa, Udiana, *Legal Consequences of Breach of Contract in Standard Agreements*, Regional Business Law Daily Journal 5, no. 2, (2017), p. 1-6, <https://ojs.unud.ac.id/index.php/kerthasemaya/article/view/20545>

¹³ Fanisyah Fazri dan Lili Kurniawan, *Legal Aspects Of Insurance Agreement Implementation*, Journal of Economic Management Information Systems 2, no. 6, (2021), p. 772-784 <https://doi.org/10.31933/jemsi.v2i6.641>

the Defendants to pay all court costs in this case amounting to Rp 3,562,600 (three million five hundred sixty-two thousand six hundred rupiah).

Joint Liability of Bumiputera Life Insurance 1912 Against Policyholders

Understanding of Liability

The issue of liability is one of the important issues in resolving disputes between two parties, including in the context of civil disputes. In such situations, there is often confusion between responsibility and liability. It is acknowledged that the use of these two terms has different meanings according to several experts based on their respective arguments.

According to J.H. Nieuwenhuis, liability arises when there is a legal violation that causes loss; if the perpetrator is responsible, they must be liable for the loss.¹⁴ This statement aligns with the views of Marthalena Pohan, who states that liability occurs due to an 'unstfout' (offense).¹⁵ Agus Yudha Hernoko explains that liability is a series of responsibilities to bear losses caused by mistakes or risks.¹⁶ Rossa Agustina states that the form of accountability in civil law can be divided into two categories, namely contractual liability and liability for unlawful acts.¹⁷

Liability arises because of two parties, where one party has an obligation to be responsible for the losses incurred by the other party. Thus, several elements of liability can be mentioned, namely:¹⁸

- a. there is a loss to the plaintiff, which is the reason for filing a lawsuit by the party that feels aggrieved;
- b. there is an action by a certain party (defendant) that causes the loss;
- c. the filing of a lawsuit by the party that experienced the loss, with the aim of demanding that the defendant be accountable for the losses incurred.

The principle of liability in civil law relies on the principle of compensation, which means that the responsible party must restore the injured party to the position they would have been in had the loss not occurred. This compensation can take the form of financial remuneration to cover the losses incurred, and in some cases, it may also include restitution or the return of lost or damaged goods or states. Thus, liability in civil law plays a crucial role in ensuring that individuals or legal entities are held accountable for their actions and provide fair compensation to the injured parties.

Form of Class Action

¹⁴ Firzhal, Anies, Supryadi, *Liability of the Government in Indonesia and the Netherlands*, ULIL ALBAB: Multidisciplinary Scientific Journal 1, no.7, (2022), p. 2242-2252, <https://ulilalbabinstitute.id/index.php/JIM/article/view/545>

¹⁵ *Ibid.*

¹⁶ *Ibid.*

¹⁷ Ni Putu Sri Wulandari, I Made Sarjana, *Liability of Buyers Due to Breach of Contract in E-Commerce Transactions Through Cash On Delivery Method*, Kertha Wicara Journal 10, no.11, (2021), p. 905-915, file:///C:/Users/user/Downloads/79066-1045-250675-1-10-20211229%20(1).pdf

¹⁸ *Ibid.*

Civil liability consists of 2 (two) types, namely liability due to default and liability based on unlawful acts. Liability due to default occurs when one party involved in an insurance contract fails to fulfill its obligations according to the agreed terms.¹⁹ Meanwhile, liability based on unlawful acts reflects the principle that insurance companies are responsible for protecting third parties who suffer losses from an event or occurrence.²⁰

Liability in insurance refers to the company's obligation to compensate or bear losses arising from claims made by policyholders. It involves the legal responsibility for the insurance company to fulfill its promises according to the provisions stated in the insurance policy. Liability can also refer to the protection provided by the insurance policy against claims made by parties who feel aggrieved. Liability for breach of contract in civil law involves various consequences, including:²¹

1. Compensating for losses suffered by the other party;
2. Annulment of the agreements that have been made;
3. Transfer of risk to the relevant party;
4. Bearing court costs if the case is brought before a judge;
5. Being subjected to compulsion to fulfill the agreement, either with or without compensation.

The form of compensation that must be submitted is in the form of a sum of money and cannot be replaced with other forms. The obligation to pay this compensation does not arise immediately upon negligence but only applies after the debtor is declared negligent and still fails to fulfill their obligations. Article 1243 of the Civil Code states that compensation for damages can be requested in accordance with the law, including costs, losses, and interest.²² The losses that can be claimed for compensation not only include costs incurred or losses experienced by the indebted object, but also involve the loss of profits, namely the profits that could have been obtained if the debtor had not been negligent.²³

In relation to Decision Number 482/Pdt.G/2020/PN JKT.SEL, the form of liability arises due to a breach of contract (default), which is the delay in payment of the insurance claim of AJB Bumiputera 1912 to Alexander Phuk Tjilen as a policyholder. Therefore, the form of liability that the Defendants must provide is to pay the losses suffered by the Plaintiffs by paying a delay interest of 2.5% (two point five percent) per month calculated from the due date of the insurance until

¹⁹ Pangkerego Olga, Riedel, Roy, *Study on Liability for Breach of Contract and Unlawful Acts Based on the Civil Code*, Lex Privatum Journal X, no.1, (2022), p. 240-248, <https://ejournal.unsrat.ac.id/index.php/lexprivatum/article/view/38088>

²⁰ *Ibid.*

²¹ Firzhal, Anies, Supryadi, *Op.cit.*, p.2247.

²² Adam Pamirta Rahman, Arya Putra Rizal Pratama, *Legal Liability of Reinsurance Against Insurance Companies That Are Not Paid*, UNES Law Review 5, no. 3, (2023), p. 897-907, <https://doi.org/10.31933/unesrev.v5i3>

²³ *Ibid.*, p. 904

this lawsuit is filed in the South Jakarta District Court or an amount of Rp 135,644,101 (one hundred thirty-five million six hundred forty-four thousand one hundred one rupiah). Additionally, they must cover all costs incurred in the case or an amount of Rp 3,562,600 (three million five hundred sixty-two thousand six hundred rupiah).

Causes of Delay in Claim Payment

The delay in claim payment in insurance can be defined as a situation where the insurance company cannot or has not paid the amount of the claim that should be given to the policyholder or beneficiary within the promised or expected time. Delay in insurance claim payments can be caused by various complex factors. This can be due to various factors, such as:²⁴

1. lack of completeness of data or information in the claim submission;
2. the need for further investigation; and
3. internal and external constraints of the insurance company.

The delay could cause inconvenience and uncertainty for policyholders, who may rely on claim payments to cope with emergencies or recover from a loss.²⁵ Therefore, a deep understanding of the claims process and active communication between policyholders and the insurance company can help address or prevent undesirable delays in the claims process.

The reason for the insurance company's delay in paying customer claims is due to the liquidity conditions of the insurance company and also coinciding with the Covid-19 pandemic, as stated in the defendant's exception number 12 on page 12. Liquidity is the ability of a company to settle its obligations in the short term or how quickly a company can turn its owned assets into cash.²⁶ Therefore, the insurance company will make payments through a queuing system.

The causes of these issues are due to internal factors, namely the insurance company's low asset management capabilities, decisions to sell unprofitable products, and the lack of liquidity in assets.²⁷ Effective risk management is required for a company to mitigate the impact of various potential future occurrences.²⁸ If the insurance company can implement this well, it will contribute to establishing good corporate governance. In addition, with the implementation of good risk management, the risk of claim defaults due to customer maturity can be avoided.

The form of liability is closely related to the legal considerations of the judges, who emphasize aspects of justice and utility. Judges will consider how their

²⁴ Suhadi, *Potensi Penyebab Keterlambatan Pembayaran Klaim Jaminan Kesehatan Nasional di Rumah Sakit*, Forikes Health Research Journal 13, no. 2, (2022), p. 486-490, <http://dx.doi.org/10.33846/sf.v13i2.2040>

²⁵ *Ibid.*, p. 489

²⁶ Sukamulja, Sukmawati, *Analysis of Financial Statements as the Basis for Investment Decision Making*, ANDI: Yogyakarta, (2019), p. 21.

²⁷ Siswanto Dodi, *The Impact of Financial Risk in the Financial Services Business of Life Insurance Companies in the Corona Pandemic Era*, KarismaPro: Study & National Management Research 12 no.1, (2020), p. 1-13, file:///C:/Users/user/Downloads/71-118-1-SM.pdf

²⁸ *Ibid.*, p. 11

decisions can achieve justice for all parties involved. This includes distributive justice (distributing rights and obligations proportionally), procedural justice (ensuring that legal processes are fair and unbiased), and corrective justice (rectifying past wrongs). The decisions made by judges must be able to resolve the cases presented and, as much as possible, avoid causing controversy among legal practitioners and the general public. Therefore, in deciding a case, judges must consider several aspects.²⁹ One of them is in the pursuit of legal justice.

A judge must always consider the aspect of legal justice to ensure fair treatment for the parties involved in a case. Judges need to ensure that everyone receives their rights proportionately, regardless of social, economic, and cultural status. The judicial process must also take place transparently, without discrimination and objectively, so that it instills confidence in the community that the legal system truly achieves justice.³⁰

According to Soetjipto Rahardjo, law enforcement is an effort to realize ideas about justice, certainty, and social benefits into a reality.³¹ The process of realizing these ideas is the essence of law enforcement. As the term "The constant and perpetual disposition to render every man his due" suggests, justice is also defined as giving rights to every individual consistently.³²

The implementation of a judge's ruling reflecting justice, in Judge's Ruling Number 482/Pdt.G/2020/PN JKT.SEL regarding default can be seen on page 22 as quoted: "That until now, the Defendants have not paid their obligations regarding the overdue insurance claim, although a summons/notification has been submitted". If we pay attention to that ruling, it is clear that the Defendants should be responsible for paying the insurance claim to the Plaintiffs. The Defendants' action of not paying this claim is very detrimental to the Plaintiffs as policyholders, in line with Article 1243 of the Civil Code, Alexander Phuk Tjilen as a policyholder can file a civil lawsuit based on default.³³ In the case of Ruling Number 482/Pdt.G/2020/PN JKT.SEL, analysis of the form of liability presented and how the panel of judges considers aspects of justice is very important to understand the basis and implications of the ruling. The judge will assess the facts and evidence presented within the context of applicable law and consider the social impact and justice for all parties involved.

²⁹ Fence, *Realizing Legal Certainty, Justice, and Utility in Judicial Decisions in Civil Court*, Jurnal Dinamika Hukum 12, no.3,(2012), p.479-489, <https://repository.ung.ac.id/karyailmiah/show/735/mewujudkan-kepastian-hukum-keadilan-dan-kemanfaatan-dalam-putusan-hakim-di-peradilan-perdata.html>

³⁰ *Ibid.*, p. 486

³¹ Soetjipto Rahardjo dan Riduan Syahrani, *Summary of the Essence of Law*, Citra Aditya Bakti: Bandung, (1999), p.192

³² *Ibid.*, p. 193

³³ Dalimunthe, Dermina, *Legal Consequences of Default in the Perspective of the Civil Code*, Al-Maqasid Journal 3, no. 1, (2017), p. 12-29, <https://jurnal.uinsyahada.ac.id/index.php/almaqasid/article/view/1444>

VI. CONCLUSION

In conclusion, the legal protection for the policyholder of AJB Bumiputera 1912, who suffered losses due to the company's default, is grounded in internal legal protection principles and supported by civil law provisions, particularly Article 75 of Law Number 40 of 2014 on Insurance. The company's liability, as reflected in Decision Number 482/Pdt.G/2020/PN JKT.SEL, confirms its obligation to compensate the policyholder for both financial losses and legal expenses, based on Article 1243 of the Civil Code. The court's legal reasoning was based on sufficient evidence proving a breach of contract due to AJB Bumiputera's inability to meet its obligations, while the company's defense regarding OJK's involvement was dismissed. Based on these findings, the author suggests that AJB Bumiputera 1912 improve transparency and communication with policyholders, that policyholders better understand the claims process, and that judges maintain professionalism and consistency in evaluating evidence to ensure fair rulings.

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