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## LEGAL CONSEQUENCES OF COMPANY FAILURE TO PAY CUSTOMER POLICY HOLDER

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### **ABSTRACT**

*In the period from January 2008 to September 2020, there were at least five companies' insurance failed to pay, one of which was K Life Insurance (AJK). AJK is a company moving the private sector in the field under K Group. In May 2020, parties AJK company announced that his company middle is in trouble liquidity so that want no want to pay for 2 products AJK insurance, including K Link Investa (KLITA) and Protecto Investa K (PIK), must postponed as in the Decision Endorsement Agreement Peace (Homologation) Number 389/Pdt.Sus-PKPU/2020/PN-NiagaJkt.Pst. Several, several customers have signed an agreement peace with AJK as stated in the agreement clause to terminate the policy, and the consequences of agreement the change become a debt-receivable agreement normal. On the side of otherwise, the company also experienced Difficulty in making top payment agreements for this insurance. So in this article, we will analyze the Legal Consequences of the Company's Failure to Pay Customer policyholders (Decision Study Number 647 K/PDT. SUS-PAILIT/2021). This writing is study law normative. Research results show consequence law of company failure pay is the policyholder has the right to request a solution to the problem outside the court, that is via LAPS-SJK, directly OJK administrative also accepts the authority to punish company insurance by the way limit activity effort, giving a warning, and revoked permission business, next policyholders are permitted to do so submission lawsuit to court on default or renegeing promises made by the company insurance against him, that is no fulfill benefit payments as has agreed in the policy and also can submit lawsuit deed oppose the law, provided can prove that these policyholders are hit losses caused by the company insurance. If policyholders want to go through a solution through bankruptcy or PKPU, then must make an application to OJK, and then OJK will convey an application to Court Commerce. When disconnected bankrupt, then policyholders must take priority compared to Creditors.*

**Keywords:** *Company Fails to Pay, Customer, Policy Holder.*

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### **INTRODUCTION**

Draft base insurance is *risk transfer*, which is interpreted as something drafted when accepted risk will be moved from participant insurance to company insurance.<sup>1</sup> Insurance has developed become an industry service, where lots of companies were founded and many business models were applied along with the growth of this industry. From side economics, insurance is a method of minimizing risk by doing a transfer or combination of losses, meanwhile from side trade, insurance is seen as a company where the principal job is to acquire or trade moving services risk and gain profit on various risks among its customers.

Insurance is a product of results of mind and reason Budi humans for the sake of creating an ideal situation, that is he answered the needs of humans, especially fulfilling fundamental needs,

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<sup>1</sup>Novi Puspitasari. (2011). "History and Development of Islamic Insurance and its Differences from Conventional Insurance," *JEAM* Vol X No. 35. p. 40

i.e. security and a sense of protection.<sup>2</sup> Understanding insurance is an agreement between two sides party i.e. insurers and the insured, more continued, in Law Number 40 of 2014 Concerning Insurance Article 1 explains that insurance is an agreement between company insurance with the holder and the police. This agreement becomes the foundation for giving premiums by policyholders to company insurance, as reply or reciprocity above gift change makes a loss to top policyholder incident loss, damage, emergence something costs, lost profits, or liability to party third is a possibility experienced by top policyholders something events that may occur; and a provision of payments in connection with death is insured, or can also be related to life is insured, where? there are benefits whose amounts have been determined previously or based on results of managed funds.

According to the Commercial Code (KUHD) Chapter IX Article 246, insurance or coverage is an agreement between an insurer and the insured each other tie self, top this is the Insurer will accept the premium, and in return insurer will replace on loss, damage, or lost profits, which are possible can suffered by the insured on incident no certain. Within the company insurance, the insurer is the company, and meanwhile Insured are customers of the company insurance itself. Established relationships between customers the company insurance is an agreement to transfer risks faced by the Insured to company insurance as Insurer by paying a premium.

In Indonesia, interest insurance is still quite low, as evidenced by AAJI (Association of Indonesian Life Insurance) where the penetration industry insurance in 5 years final only 6.5%, or only 18 million souls that become customers insurance soul out of a total of 270 million soul resident.<sup>3</sup> Insurance become important because of exists benefits of providing a sense of security to its customers when events are not expected. There are also various types of insurance, insurance life, insurance health, insurance related to education, insurance automotive, and still lots again, it's also Premium insurance different from one industry by industry another.

In running business insurance, of course, principle insurance must applied by both parties, ie insurers and the insured. These principles include the *principle of insurable interest*, the *principle of utmost good faith*, the *principle of indemnity*, the *principle of proximate cause*, the *principle of contribution*, and the *principle of subrogation*.<sup>4</sup> Meanwhile, insurance as an entity business set below Constitution Number 2 of 1992 concerning Insurance Business later renewed by law Number 40 of 2014 concerning Insurance (Insurance Law).

As a participating legal entity as well as in activities economy of course not always own condition good economy, and always capable fulfill all his obligations to party other. Circumstances in an economy that don't good the no seldom make company insurance not capable of fulfilling all its obligations and can also lead to situations of bankruptcy. The bankruptcy in question is something possible business done to help look for road exit or completion to something the circumstances in which the debtor is not capable or does not want to pay off his debts.<sup>5</sup> Although thereby the rights of policyholders remain will be protected by law in its existence Law no. 37 of 2004 Concerning Bankruptcy.

In terms of the company, if insurance is in a state not capable of paying off existing debts then the Minister of Finance is the party that can submit an application statement for bankruptcy to Court Commerce to drop the decision of bankruptcy of the company insurance.<sup>6</sup> This is in line with Article 2 paragraph (5) of the Bankruptcy Law which states that in case the debtor is company insurance, company insurance, pension funds, or business entities owned by the

<sup>2</sup>Sri Rejeki Hartono. (2001). *Insurance Law and Insurance Companies*. Jakarta: Sinar Graphics, p. 30

<sup>3</sup>Indonesian Life Insurance Association. (2022). *Indonesian Life Insurance Industry Roadmap*. Jakarta: AAJI, p. 21

AWetria Fauzi. (2019). *Insurance Law in Indonesia*. Padang: Andalas University Press, p. 96

<sup>5</sup> Etty Susilowati, Siti Mahmudah, Muhammad Alfi. (2017). "Authority of the Financial Services Authority in Insurance Company Bankruptcy Cases." *Diponegoro Law Review*, vol. 6, no. 1, pp. 1-9

<sup>6</sup>Ferial Fatimah, Siti Malikhatun Badriyah, Irawati. (2021). "Legal Protection for the Insured of an Insurance Company Declared Bankrupt?" *Notarius*, vol. 14 No. 2.

state that operates in the field of interest public, the application statement bankrupt only can be submitted by the Minister of Finance (hereinafter delegated his authority based on Constitution to OJK).<sup>7</sup>

In the period from January 2008 to September 2020, there were at least five companies' insurance failed to pay, one of which was K Life Insurance (AJK). AJK is a company moving private sector in the field of insurance under K Group. In May 2020, parties AJK company announced that his company middle is in trouble liquidity so they want to no pay for 2 products of AJK insurance, including K Link Investasi (KLITA) and Protecto Investasi K (PIK) must postponed. This payment delay was first conveyed by management to the policyholder through a Notification Letter about it happening Circumstances Force (*Force Majeure*) Number 017/KL-DIR/V/2020 on 14 May 2020.<sup>8</sup> Through letters the management of K Life Insurance provides information to customers on problems that are occurring in liquidity, the source is from something circumstances *force majeure* due to COVID-19. Due to these circumstances, the portfolio AJK's investment decreased in the capital market, so AJK did not fulfil its obligations to top policyholders KLITA and PIK products. Apart from that, AJK has also implemented benefit payments stopped from May 14 2020 to February 10, 2021.

Due to the payment failure experienced by AJK in carrying out obligations, on August 14 2020 OJK issued a letter with number S- 342/NB.2/2020 regarding the freezing activity of AJK business. It doesn't stop there, the problem is failure have paid for this too arrived at the table green. Policyholders from AJK requested Delay Debt Payment Obligation (PKPU) to Court Central Jakarta Commerce. Through the PKPU, it has achieved agreement through Agreement Peace Homologation) in Decisions Number 389/Pdt.Sus-PKPU/2020/PN- Niaga.Jkt.Pst.

At level cassation, the Panel of Judges returned circumstances reset and cancel decision before, that is Decision Endorsement Agreement Peace (Homologation) Number 389/ Pdt.Sus-PKPU/2020/PN- Niaga.Jkt.Pst. Several customers have signed an agreement peace with AJK which is in the agreement clause to terminate the policy, and the consequences agreement the change becomes a debt-receivable agreement normal.<sup>9</sup> On the side of otherwise, the company also experienced difficulty in making top payment agreements for this insurance. The customers are now in a state of no certainty because still stuck as policyholders and are willing no want to join in undergoing a process for clarity of legal status and return of money that has been received right they.

## METHOD

This writing is study law normative (*normative legal research*), namely, research carried out in this way to study regulation applicable or applied legislation to something problem law certain. Study normative often called research doctrinal, that is object research the study is document regulation legislation and materials references. Study libraries (*library research*), namely study of secondary data. This research was conducted to look for data on the problems that will arise, consisting of Primary Legal Materials, namely ingredients of legal nature binding, covering regulation-related legislation as well as Secondary Legal Materials, namely material that explains material primary law, such as books, literature results research and results

<sup>7</sup>Karlina, Neneng, et al. (2016). "Judicial Review of the Position of the Financial Services Authority in Submitting Bankruptcy Applications against Insurance Companies." *Riau University Faculty of Law Student Online Journal*, vol. 3, no. 2, October, pp. 1-15.

<sup>8</sup>Wibi Pangestu Pratama. "Chronology of Kresna Life, From Failure to Pay Claims to OJK 'Red Card': Financial," available from: <https://finansial.bisnis.com/read/20200814/215/1279436/kronologis-kresna-life-dari-gagal-payclaims-to-ojk-red-card>, accessed April 9, 2023

<sup>9</sup>Investorid. "80% of Customers Agree to Peace, Kresna Life Bankruptcy Decision Questioned," available from: <https://investor.id/finance/261095/80-nasabah-setuju-cepat-kebangunan-pailit-kresna-life-dipertanyakan>, accessed April 9, 2023

work scientific. This research uses the technique to analyze data with logic deductive, logical deductive or processing material of legal way deductive that is explain something natural thing general Then interesting becomes more conclusions.<sup>10</sup>

## ANALYSIS AND DISCUSSION

### Chronology Failure to Pay AJK

At first, this was the case impact of the case Jiwasraya which happened around 2019 started crowded, this caused protection policy customers Investa K (PIK) and K Link Investa (KLITA) to start lots withdrawing their funds. Around February 2020, AJK did a withdrawal of funds from customers and offered an extension. The letter states that non-participation company and that Product Investment Linked Insurance (PAYDI) AJK does not there is a connection with the letter valuable PT Asuransi Jiwasraya (Persero) which at that time was investigated by the Attorney General's Office, nor related to the case Jiwasraya. AJK company will extend the period time (rollover) policy investment to avoid the withdrawal of funds bulk. AJK through Director Primarily, KS, explains that delay in payment of related policies carried out to protect and save customer funds by adding period time policy investment for a minimum of 6 months which matures from 11 February 2020-10 August 2020.

After the publication of the letter related, in May 2020, parties AJK management admitted that company the experienced problems with liquidity resulting exists delays towards the second payment product Protecto Investa K (PIK) and K Link Investa (KLITA). According to confession party management, this payment delay is caused exists *force majeure* in the form of COVID-19 which impacts the portfolio AJK investment in the capital market. AJK experienced an inability in a financial way to meet his obligations towards policyholders of PIK and KLITA products. On 14 May 2020, AJK returned to send a letter to customers on the postponement of policy payments due from 11 February 2020 to 10, February 2020. Apart from that, AJK stopped paying benefits insurance from May 14 2020 to February 10, 2021.

Four days after that, on May 18, 2020, the company sent a letter to the customer stating that AJK is a compile scheme solution obligation company and will be delivered to customers no later than 30 days after the letter was written. Completion of the no visit delivered to customers and companies return publish a letter which is essentially the first stage of payment given to KLITA and PIK policyholders worth IDR 50 million with a mechanism delivered in term time seven-day work since letter rise 17 July 2020, AJK wrote its customers on completion of the next stage, namely for policies with a value above IDR 50 million postponed to 3 August 2020 for reasons building AJK office vacated on exists employees affected by Covid-19. Delay in previous policy payments promised will paid in six months, but the company keeps postponing payment of the policy due date in a way unilaterally causing customers to become nervous. Due to this anxiety, customers also went directly to the Financial Services Authority Office located on Jalan Gatot Subroto, South Jakarta, for three consecutive from 22-24 July 2020.

Financial Services Authority gave a response on condition the through letter number S-342/NB.2/2020 dated 3 August 2020 where Financial Services Authority announced has dropped Penalty Restrictions Business Activities (PKU) to AJK in the Field Life insurance. Also mentioned in the letter, accordingly, PKU sanctions were imposed on AJK based on OJK assessment because the person concerned violated the provision about implementation recommendation on results inspection previously. After he wore this sanction, AJK was banned do activity closing new coverage for all line business for company insurance from August 3

10 Zainuddin Ali. (2016). *Legal Research Methods*, Jakarta: Sinar Graphics, p. 22

2020 until the fulfillment recommendation results in OJK inspection. Sanctions implemented by the OJK also have an impact on companies that are members of the K Group, including K Asset Management. It is known that the OJK then also did this suspension against 24 product investments managed by K Asset Management. Suspension done since August 7, 2020.

The sanctions imposed by the OJK were applied to AJK mentioned above and had time revoked through letter number S-458/NB.2/2020 dated November 4, 2020. However, OJK is back to give penalty Restrictions Business Activities (PKU) towards AJK through letter number 449/NB.2/20203. The situation experienced by AJK is known to its customers has made various efforts to get the right, okay from criminal and civil law, for example, PKPU application to the Court of Commerce. Appearance PKPU application shows that problem payment failure faced by AJK to the customers are very serious. Based on the PKPU request, appeared Decision Endorsement Agreement Peace (Homologation) No.389/Pdt.Sus-PKPU/2020/PN. NiagaJkt. Pst. with Amar, the bottom-line states that the Agreement Peace (Homologation) between AJK and its customers is valid and binding in a way law, as well punish AJK and all Creditors (customers) must submit and comply as carry out fill Agreement Peace dated 10 February 2021.

Legal Considerations The Panel of Judges referred to Article 223 jo. Article 2 paragraph (5) of the Bankruptcy and PKPU Law jo. Law Number 21 of 2011 concerning Financial Services Authority jo. Article 50 paragraph (1) Law Number 40 of 2014 concerning Insurance, who has the right and ownership *legal standing* to request PKPU above company insurance is the Minister of Finance, the next functions and duties redirected to Financial Services Authority, no Creditors nor Debtor; PKPU applicant in the case is as Creditors and Respondents as Debtor, so Temporary PKPU decision and Permanent PKPU decision contrary to Article 2 paragraph (5) of the Bankruptcy Law and PKPU; PKPU application should be No can accepted. If *judex facti* wants to interpret the law then it does against norms that are not yet clear, whereas regulation regarding the submission of PKPU application has been completed and arranged. *Judex facti* disconnect based on Law no. 30 of 2014 concerning Administration Government, this is wrong and not correct, because it is under the principles *lex specialis lex derogate legi generalist*, must examined and decided under the Bankruptcy Law and PKPU.

Due underlying decision this homologation is not right, resulting in all related decisions in the case being disabled and the Court Agung stated cancelled. The consequence of the cancellation of *Judex Facti*'s decision, that PT Asuransi Jiwa K was returned to the circumstances Initially, during PKPU and Homologation not yet there is;

Good decisions that side with the interests customers played came back with "Amar" decision cassation from The Supreme Court (MA) declaring the company bankrupt status insurance the granted. Based on RI Supreme Court Decision Number 647K/Pdt.Sus-Bankruptcy/2021, the judge decided that Decision Court Commercial Affairs at the Central Jakarta District Court [ Decision Endorsement Agreement Peace (Homologation) Number 389/ Pdt.Sus-PKPU/2020/ PN NiagaJkt.Pst., February 18 2021 is cancelled.

### Consequences of the Company Failing to Pay the Customer as Policy Holder

In agreement insurance required exists agreement of the parties, and of course, the parties here have the power to do deed law as regulated by law. Agreement between perpetrator business or company insurance with customers company underlying insurance or insured something existence agreement insurance no only done in a way verbally, but rather must through procedure administration that has been determined. This procedure is a way to fulfill requirements established by law about proof agreement insurance. The condition, of course, will give the client or customer service insurance belief in being client company insurance. An

agreement written or frequently called the policy can protect the rights of customers or service policyholder insurance if happen something something moment later.

One of the circumstances that do not desire who make customers from something a company service insurance experience loss is when a company can replace make a loss to something event that occurred to customers as has promised in the agreement between the second split party. This situation is known as circumstances that fail to pay (*default*). Understanding failed to pay in a way, especially in the world of insurance not yet be found, but a term interpreted as *default* or failing to do something, for example, paying the debt, which is law must do.<sup>11</sup>

Agreement as the base formation of a policy of course holds a role. From the AJK case, it is known that the AJK side has confessed that his party does not pay the policy which becomes his obligation. AJK admitted several times the inability to make payments by delaying customer policy payments through their letters to convey<sup>12</sup>,

“As for reasons for delay in payment in the form of:

1. Liquidity problems in investment portfolios. For policies that must be paid at maturity on 11 February 2020, they are postponed until 10 February 2021, or approximately one year, and benefits that must be paid on 14 May 2020 are also postponed until 10 February 2021;
2. The company is preparing a settlement scheme no later than 30 days, starting from the submission of the letter on May 18, 2020;
3. The company wrote to customers on 18 June 2020 to provide information that only KLITA and PIK policyholders with a value of IDR 50 million will be paid through a mechanism delivered within seven days of the letter being issued;
4. AJ K was unable to complete the payment because the company employees were affected by COVID-19 so the office could not operate. “The company has postponed the settlement of policy payments with a value of more than IDR 50 million until August 3 2020.”

Delay in the policy payment results in the Financial Services Authority as a supervisor in the sector service finance down and applying Restrictions Business Activities (PKU) towards AJK above negligence committed on his obligations towards its customers. Even not until then, AJK was brought to the table green by its customers who experienced its loss on AJK’s inability to make payments, which in Decision No.389/Pdt.Sus-PKPU/2020/PN- Niaga.Jkt. Pst, AJK agrees matter with no submitted object on the PKPU application submitted by LW. In Decision No. 389/ Pdt.Sus-PKPU/2020/PN-NiagaJkt.Pst, AJK admits he must give benefit insurance to its policyholders, which also includes benefits investment in its products PIK and KLITA.

Decision *a quo* state exists decline significantly in liquidity from investments placed by the company as a consequence of exists crisis, resulting in exists impact on the finances company in completing investment to policyholders. This condition became havier when the Financial Services Authority enforced PKU against AJK, which against this condition, AJK is committed to finishing bill the through agreement agreement together in shape scheme policy settlement, arrived down Decision No. 389/ Pdt.Sus -PKPU/2020/PN- Niaga.Jkt.Pst, states that AJK has

<sup>11</sup>“Default,” Cambridge Dictionary, available from: <https://dictionary.cambridge.org/dictionary/english/default>, accessed May 8, 2023

<sup>12</sup>Adhi Wicaksono. “Chronology of the AJ Kresna Life Insurance Case Until the OJK Sentence,” CNN Indonesia, August 14, 2020, available from: <https://www.cnnindonesia.com/economic/20200814161911-78-535867/kronologikas-jasa-jiwa-kresna-life-until-sentenced-ojk>, accessed May 8, 2023

status in PKPU, then PKPU revoked as is Decision No. 647 K/ PDT.Sus-Bankruptcy/2021 so return to circumstances again, where? Not yet There is Agreement Peace and the company currently is in failure pay.

In relation above, the Financial Services Authority can do protection to AJK policyholders under the guidelines regulated by the Financial Services Authority Law 21/2011 concerning the Financial Services Authority expected can give protection to all perpetrators of sector service of finance, especially in the sector insurance. Policyholders must protect their existence because the policyholders put the money in the company insurance, so are in a vulnerable position.<sup>13</sup>

Authority is very broad in this field of sector of finance, insurance, then all applied regulations must conform and implemented. OJK provides an option to customers' company insurance to fight for their rights. Outside court, OJK provides an alternative through Regulation RI Financial Services Authority No. 61/POJK.07/2020 Concerning Alternative Institutions Completion Financial Services Sector Dispute /LAPS-SJK (POJK 61/2020) since January 1 2021 provides authority to resolve disputes in the Financial Services Sector outside table green through Alternative Institutions Completion Dispute Financial Services Sector (LAPS-SJK), where authority the previously owned by the Indonesian Mediation and Arbitration Agency (BMAI).

Apart from that, OJK also has the right to impose sanctions and punishment in a way administrative shaped warnings, limiting activity business, prohibition marketing the product, withdrawing permission effort, cancellation registration broker as well as provider other services in the field insurance, cancel permission as a mediation body nor association, fine, or prohibition from participating as well as as a company organ. Under POJK 69/2016, sanctions are carried out to company insurance:

1. Written warning;

As long as the insurance company is still under warning, the insurance company can still carry out its business activities, customers at this stage have not been directly affected by the warning by the OJK.

2. Restrictions on business activities;

Insurance companies can be subject to PKU sanctions if violations result in the issuance of a written warning within the period stipulated in POJK 17/2017. Business activity restrictions (PKU) can be imposed on some or all business activities. For some, the form of restriction is that the company is prohibited from marketing a certain product, while the company continues to operate. On the other hand, if the PKU is carried out in full, the company is not permitted to close the policy, but the company's other obligations, especially those that are due, can still be carried out, especially towards all its customers. PKU sanctions imposed on insurance companies sometimes actually become burdensome and hinder companies from carrying out payment schemes for their policyholders because no funds are coming in<sup>14</sup>;

3. Revocation of business license;

If the insurance company fails to correct the violation, OJK is finally allowed to revoke the insurance company's business license as the heaviest sanction.

<sup>13</sup>Image of Hafshah Maharani. (2021). Legal Protection by the Financial Services Authority (OJK) for Policyholders who are Insurance Consumers. *Private Law*, vol. 9 no. 2, July-December. p. 44

<sup>14</sup>Yuni Astutik & Rahajeng Kusumo Hastuti. "Duh! Restrictions on Insurance Business Activities Actually Harm Customers," CNBC Indonesia, September 2, 2020, available from: <https://www.cnbcindonesia.com/investment/20200902160732-21-183931/duh-pembatasan-kegiatan-usahabisnis-malah-rugikan-customers>, accessed May 8, 2023

Furthermore, legal consequences Civil, then according to Prof. Abdulkadir Muhammad, Civil Law is all over settings that include connection in a way applicable law on party one party and the other.<sup>15</sup> In civil law, *events of default* something clause agreement that when an incident happens, results a violation of the terms of the agreement. Usually, incidents will be associated with the obligation party, so if, the party will be considered to default or renege on a promise. The parties who do not default will entitled to several recoveries specifically stipulated in the agreement and may end the agreement. When it happens incident *default*, the Creditor usually will get several rights, including:

1. Stop achievements that have not been implemented so that no further use can be made.
2. Demand payment of all accrued and outstanding amounts. Provisions in financing agreements sometimes also allow creditors to take other actions in the event of default, for example, the creditor has the right to demand fees on demand or charge interest at a higher rate, in financing agreements there are rarely situations where the agreement ends immediately if a *default* or failure occurs. pay.

Fail pay means that the Debtor does No succeed in fulfilling his obligations to Creditors, and the default is interpreted as something circumstances No fulfillment or failure to fulfill or negligence in carrying out obligations according to the provisions of the agreement between Creditors and Debtors<sup>16</sup>, or in insurance, Insurers are not able to pay a claim to the Insured as agreed in the policy. Not fulfilling this promise can happen because intentional or not intentional.<sup>17</sup>

Based on Article 1865 of the Civil Code, whoever states that he owns something right, is mandatory to prove its true right such<sup>18</sup>, so, when policyholders feel that the supposed benefits they accept are their right, they must prove that argument, especially if talking about effort law adjudication or through lawsuit civil good deed oppose law or default. The necessary thing proven first is *legal standing*, whether the policyholder has an agreement with the business, supported by valid evidence. Civil law, according to Article 1866 of the Civil Code, tools the evidence in question in a way civil is written evidence, witnesses, allegations, confessions, and oaths.

Based on Jurisprudence in Decision No.9/ Pdt.G/2020/PN, available evidence showed that somebody in the policyholder is the policy he/she owns alone. Furthermore, policyholders must show that there is it promise or default in an agreement coverage between the party policyholder with the company insurance, and whether the policyholder has done so in good faith good operate achievement by paying the premium so far. This can be known from fill clauses in the policy and supported by other evidence such as payment receipts by the policyholder.

If the Insurance Company does action violates the law and brings loss to the policyholder, then policyholders can also demand change to make a loss to company insurance. Understanding deeds oppose the law regulated in Article 1365 of the Civil Code, where everyone who does deeds violates the law and provides loss to others must change make a loss. This understanding is experienced in initial development interpreted as a deed violating just the law, however, via Hoge Raad (Lindenbaum v. Cohen), the deed oppose the law interpreted as all violating act of propriety, prudence, and decency between the environment society, and above object someone else 's.<sup>19</sup> AJK policyholders must prove in advance court exists an injury promise or loss on benefit proper investment obtained.

<sup>15</sup>Abdulkadir Muhammad. (2017). *Indonesian Civil Law*. Bandung: Citra Aditya Bakti. 5th printing.

<sup>16</sup>Salim HS. (2008). *Introduction to Written Civil Law (BW)*. Jakarta: Sinar Graphics, p. 180

<sup>17</sup>Ahmedi Miru. (2007). *Contract Law and Contract Drafting*. Jakarta: Rajawali Press, p. 74

<sup>18</sup>Subekti, R, and R. Tjitrosudibio. (2003). *Civil Code (Civil Code)*. Jakarta: Pradnya Paramita, Article 1865

<sup>19</sup>Suharnoko. (2004). *Contract Law: Theory and Case Analysis*. Jakarta: Prenada Media



## CONCLUSION

The Consequence law from company failure pay is the policyholder has the right to request a solution if the problem is outside court, that is via LAPS-SJK, directly OJK administrative also accepts authority to punish company insurance by the way limit activity effort, giving a warning written, and revoking permission business, next policyholders are permitted to do so submission lawsuit to court on default or renegeing promises made by the company insurance against him, that is no fulfill benefit payments as has agreed in the policy and also can submit lawsuit deed oppose the law, provided can prove that these policyholders are hit losses caused by the company insurance. If policyholders want to go through a solution through bankruptcy /PKPU, then must request OJK, and then OJK will do it by conveying application the to Court Commerce. Disconnected bankrupt, then policyholders must take priority compared to other creditors.

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