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Implementation Of Legal Principles Of Agreement Between Policyholders And Insurance Companies

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Abstract. The implementation of the legal regulation of the principle of the agreement between the policyholder and the insurance company is law no. 40 of 2014 concerning insurance and the Civil Code, article 1320 on the terms of a legal agreement, commercial law books, article 246, the meaning of insurance, and the provisions of the article in an insurance policy. Limiting factors in submitting claims, namely, failing to fulfill administrative requirements and ignorance of customers with the benefits purchased. The principle of implementing the law of the agreement between the policyholder and the insurance company at PT. Batam branch Sequis Life Life Insurance. With the construction problem: - how is the law determining the implementation of agreements between policyholders and insurance companies with one of the factors hindering filing claims in the PT Asuransi Jiwa Sequis Life Batam branch? Qualification/writing in this type of journal uses normative legal writing and legal research supported by sociological/empirical nonprofits. To analyze the problems in this journal, Jeremy Bentham's theory (theory) of utilitarianism is used, the middle theory (middle theory) by Roscoe Pound law as a social engineering tool, theory and application (Applied theory) by Philip Nonet and Philip Selznick, namely essential law society.

Keywords: *Principles of Agreement Law, Policyholders, Insurance Companies*

INTRODUCTION

Human life and activities contain various things that show the essential nature of life itself. The essential nature referred to here is an "impermanent nature" that always accompanies human life and activities in general. The impermanent nature always includes and accompanies humans, both as individuals and in groups or as part of a community group, in carrying out their activities.[1]

In order to realize the goals above, the implementation of development must always pay attention to harmony and balance as an element of development in all aspects of life, including the economic sector, which requires substantial investment support. To guarantee success and harmony in the economic sector, seriousness is needed in investing, followed by the insurance sector in Indonesia. Insurance in Indonesia is directly proportional to per capita income in Indonesia, meaning that the higher the income and assets owned, the greater the risk of loss that can befall. Protection from the threat of this risk is needed, namely through insurance. The transfer of this risk is offset in the form of premium payments to the insurance company (guarantor) every month or year, depending on the agreement contained in the policy.

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Premium is the obligation of the insured as a consequence of the existence of coverage by the insurer. The benefits of this risk transfer are received by the customer (the insured). Insurance itself is a non-bank financial institution that has a role that is not much different from a bank, which is engaged in services provided to the public in dealing with risks that occur in the future. Insurance arrangements in Indonesia are regulated in the Law of the Republic of Indonesia No. 40 of 2014 concerning Insurance Business (Insurance Law). The existence of insurance has been known for a long time in human civilization. The ancient Egyptians had a socio-religious group whose members regularly ensured that burials were carried out according to religious rites.[2]

Insurance has a critical position and has even become part of society; considering the function of insurance as a guarantee and protection institution, insurance is considered capable of providing smooth activities in commerce. Insurance companies also have a broad role and reach, which involves economic and social interests; insurance also reaches out to individual interests and the interests of the wider community, both individual and collective risks.

Insurance companies, as service companies, on the one hand, sell services to customers, while on the other hand, insurance companies are investors from people's savings into productive investments. Indirectly insurance is a risk transfer institution. Data from the Financial Services Authority (OJK) regarding insurance statistics as of January 2018 shows that the industry's total premium income reached IDR 17.64 trillion. This achievement increased by 44.78% year-on-year (yoy), while in January 2017, industry premium income was recorded at IDR 12.18 trillion. As for assets, in January 2018, the value grew 30.57% annually to IDR 466.06 trillion, an increase of 34.27% yoy.

Insurance business people who can innovate following technological developments will reap huge profits. One of them is PT Asuransi Jiwa Sequis Life. Sequis Life itself recorded a Total Premium Income (Gross) of IDR 2.37 trillion, which was contributed by New Business Premiums (Gross) of IDR 467 billion and Continuation Premiums (Gross) of IDR 1.907 trillion. This increase is evidence of rising public awareness of the importance of insurance protection. PT. Sequis Life Insurance (Sequis Life) was established in 1984 under PT. Universal Life Indonesia (ULINDO) under the auspices of the Gunung Sewu Group, which later changed its name to Sewu New York Life (NYL) in 1992. In 2003 all New York Life shares were acquired, and the company changed its name to Sequis Life which focuses on serving individual customers and a collection through agency distribution channels that offer a variety of innovative products, including life and health insurance. To serve the Indonesian people more broadly, in 2005, Sequis Life acquired all of the shares of PT.

Metlife Sejahtera (METLIFE), which later changed its name to PT. Sequis Financial Life Insurance (Sequis Financial) markets life and health insurance products through Employee Benefits Business (EBB), Partnership Distribution, and Telemarketing channels. As a form of solid commitment, in 2009, Sequis Life opened a new office building named "SEQUIS CENTER." In 2010 Sequis Life launched the Sequis Life Training Academy Of Excellence (STAE), equipped with an online test room for Indonesian Life Insurance Association (AAJI) certification and the opening of a national service center (NSC) for customers as proof of Sequis Life's commitment to providing the best service.

Director and Chief Operating Officer of PT. Sequis Life Life Insurance said that several things could cause a claim to be rejected by the insurance company as the insurer, including the expiration date. Insurance companies generally have an expiration period for submitting claims. The expiration period can be seen in the article on the requirements for filing claims listed on the insurance policy. Sequis Life provides a limit for submitting claims for 30 days after the insured leaves the hospital or after the insured undergoes outpatient treatment, or three months after the date of death or the date of diagnosis of critical illness/total and permanent disability or partial and permanent disability. It is best if the claim submission process is carried out as soon as possible after completing treatment or treatment at the hospital. If it has passed the expiration period, the insurance company can reject the claim submitted.

Another thing that can cause claims not to be paid is that the policy or rider is inactive (lapse). This usually happens because the policyholder does not make payments after a grace period of 30 days from the due date of payment, so the policy is no longer valid (grace period). The waiting period is different for health insurance and critical illness insurance. This is regulated in the policy agreement; if you submit a claim before the policy waiting period (waiting period), it can cause the claim to be rejected.

Early exceptions to policies or riders can also cause claims to be rejected, namely, hiding the health conditions experienced before purchasing the policy even though the waiting period has passed. Another reason insurance claims are rejected is because the policyholder violates the law, such as an accident due to a violation of traffic rules. Actions of fraud or insurance crimes by policyholders or their heirs to get the Sum Assured can cause automatic rejection of claims. For example, policyholders intentionally injure themselves, or heirs commit crimes against the policy owner.

Insurance or coverage, in the legal sense, has a definite meaning, namely, as a type of agreement. Even so, the insurance agreement has a specific purpose that revolves around economic benefits for both parties agreeing. The insurance agreement is regulated in 2

codifications, both in the Book of The Civil Law Act and the Commercial Law Code. The Civil Code does not explicitly regulate this insurance, and the agreement is not regulated in the Commercial Code, so the insurance agreement will also apply to the provisions of the Civil Code based on Article 1 of the Commercial Code. that the general provisions of the agreement in the Civil Code may apply to insurance agreements. Article 1 of the Commercial Code reflects the lex specialis derogate lege general principle.[3]

RESEARCH METHODOLOGY

This type of research is normative and empirical legal research. Normative legal research is legal research that places law as a building system of norms. The system of norms in question regards the principles, norms, rules of laws and regulations, court decisions, agreements, and doctrines (teachings). Empirical legal research (sociological), namely research that uses empirical facts taken from human behavior, both verbal behavior obtained through interviews and actual behavior carried out through direct observation.[4]

The approach method used in this study is a sociological (empirical) juridical approach, namely identifying and conceptualizing law as a social institution that is real and functional in a natural living system. Implicitly applies (fully) not explicitly (clearly, expressly regulated) in the law or described in the literature.

DISCUSSION

Implementation of the Legal Principles of the Agreement Between Policyholders and Pt. Life Insurance Sequis Life Batam

Article 1320 of the Indonesian Civil Code determines four conditions for an agreement to be valid, viz.:[12] Agree on those who bind themselves; The ability to make an engagement; A sure thing; A cause that is lawful (permitted).

Law Number 40 of 2014 Amendments to Law Number 2 of 1992. The contents of this Law contain regulations regarding insurance businesses. Reviewing that insurance is one of the efforts to overcome certain community risks. Insurance has a role in raising funds from the community, and the state opens opportunities for insurance business activities and regulates insurance activities so that they are by the principles of a healthy and responsible business.

The benefit of insurance is to provide a guarantee that is beneficial to the insured if something harmful or damaging occurs where the time of the event cannot be ascertained. Because of that nature, insurance must also comply with the provisions contained in Article

1774 of the Civil Code, which states that "a chancy agreement is an act whose result, namely regarding profit and loss, both for all parties and for some parties, depending on an uncertain event.

Government Regulation Number 73 of 1992 is a provision governing the conduct of the insurance business. The formation of this government regulation is based on the objective of insurance, which in principle can encourage the growth of Indonesia's national development, so in sustainable implementation, it is necessary to have a directive so that insurance business activities run by applicable law and regulate insurance companies in Indonesia so that they develop correctly and by the foundation and principles of a healthy and responsible business. Generally, there are three principles of agreement: the principle of freedom of contract, the principle of consensual, and the principle of binding force. According to Herlion Budiono, these three principles need to be added to the principle of balance so that they are more in line with the conditions in Indonesia. Below are the principles of the agreement:

a. *Contractsvrijheid*.

According to Mariam Darus Badrulzaman, "All" means covering all agreements, both those whose names are known and those not known by law. The principle of freedom of contract relates to the agreement's contents, namely the freedom to determine "what" and "who" the agreement is made.

b. The Principle Of Consensualism

This principle is one of the conditions for the validity of an agreement as specified in Article 1320 of the Civil Code. Without this agreement, the agreement is null and void. However, it should be noted that there are exceptions to the consensualism principle, namely in actual and formal agreements that require delivery or fulfill certain forms required by law.

c. Principle of Pacta Sunt Servanda (Principle of Legal Certainty)

If a contract has been made legally by the parties, then the contract is already binding on the parties. Even binding contracts made by the parties are as binding as a law made by parliament and the government. Each party bound in an agreement must respect and carry out what they have promised and may not act contrary to the agreement. This principle has material legal aspects closely related to the principle of trust.

d. (*Evenwichtsbeginsel)*

A principle that is included to harmonize legal institutions and the main principles of contract law known in the Civil Code, which is based on the thoughts and background of individualism on the one hand and the way of thinking of the Indonesian nation on the other.

The agreement between the Policy Holder and the Insurance Company is included in the Insurance Policy, along with a description of the Insurance Policy, starting from the registration of the policy itself to the insurance claim process along with the laws that govern it:

1. How to register for a policy/customer at PT. Sequis Life:

   Fill out SPAJ (Life Insurance Request Letter), by attaching:

a. Photocopy of identity (KTP/SIM/Passport) of the policyholder and the insured;
b. Signed illustration proposal;
c. Proof of first premium transfer; Appendix Supplement:
   1) Photocopy of the first page of the savings book (if the method of payment is using the savings auto-debit) + stamped power of attorney;
   2) atm card photocopy;
   3) Copy of birth certificate (for child participants);
   4) Photocopy of credit card (if the payment method uses a credit card debt) + stamped power of attorney.

An insurance policy is a deed of insurance agreement or another document equivalent to a deed of the insurance agreement, as well as other documents which are an integral part of the insurance agreement, drawn up in writing and containing the agreement between the insurance company and the policyholder. The insurance policy can be issued in hardcopy or digital/electronic form by complying with the provisions regarding insurance policies by laws and regulations.

Claim Submission:

1. Complete and sign the Hospital treatment claim submission form ultimately;
2. Submit a doctor's certificate (SKD);
3. Copy of valid identity of the Insured;
4. Submitting the Consent Statement Form;
5. Attach receipts and original invoice details issued by the hospital. If the 2 (two) original documents have been submitted to another insurer, they can be replaced with photocopies of documents that have been legalized by the hospital accompanied by a letter of payment details from the other insurer;
6. Attach details of medicines from the hospital that are prescribed and consumed during treatment, including when seeking treatment abroad;

Submit the results of examinations carried out during treatment (laboratory, X-ray, anatomic pathology, EKG, and others.[13]

Article 16, Conditions for Submission of Claims: Submission of claims for payment of insurance benefits must be made formally in writing and sent to the insurer at the head office within 30 (thirty) days after the insured leaves the hospital and after the insured undergoes treatment Road or 3 (three) months after the date of death or the date of diagnosis of Critical Illness/Total and Permanent Disability/Partial and Permanent Disability. This insurance benefit will be given after the insurer approves the claim. Claims on the policy can be made by referring to the terms and conditions of Insurance Benefits by fulfilling the following requirements:
For death benefits, if the insured/policyholder dies, the conditions that must be met are:

a) original policy;
b) Death claim submission form (provided by the Insurer);
c) Heir certificate form (provided by the Insurer);
d) Photocopy of the identity card of the Heir and the Insured;
e) Photocopy of Family Card or Birth Certificate or other documents proving the relationship between the Heir and the Insured;
f) Doctor's Certificate Form (provided by the Insurer);
g) Death certificate (Original/legalized) or death certificate from the local government and the medical side (original/legalized); And
h) Accident Certificate from the police if died due to an accident.[14]

\Policyholders must know what are the obstacles to insurance claims; there are several reasons for the rejection of insurance claims as follows:

1. Policy is currently inactive (Lapse)

Insurance can be in an inactive state due to several circumstances. This inactive state is also called a lapse. The insurer is not willing to pay insurance claims if the policy lapses. The following are two examples of a policy in a lapse, and the insurance claim is rejected. Insurance premium payments are due because it has passed the grace period. Each insurance may have a different grace period. Usually, a maximum of about 45 days: if the incident occurs after that period, the insurance will not be responsible for any losses the policyholder suffers, even if it is included in the policy clause. If the insurance policy is in the form of a unit link, the policy can be considered a lapse if the insurance's cash value is not enough to cover insurance costs.

2. Claims Not Covered By This Clause

The insurance policy contains an agreement that includes what criteria are and is not included in the insurance coverage. For example, the policy states that a stroke is a cerebral-vascular attack with permanent neurological nature lasting more than 24 hours. Even if the

doctor diagnoses the policyholder as having a stroke but it is still less than 24 hours, the insurance claim cannot be filed because it will be rejected.

3. Submission of Claims Exceeding the Specified Time

Insurance claims can be delayed or even rejected if the processing of claims exceeds the time specified in the policy. Insurance always provides a specific time limit for processing claims. After that, claims can be rejected.

4. Incomplete Claim Documents

Make sure you know all the documents that must be provided when you want to submit a claim. Only one document is needed; the insurance will reject the claim. For example, a doctor's certificate is required for life insurance. You are also required to fill out a claim form.

5. Being in a Waiting Period

Certain types of insurance usually have a policy called a waiting period. Insurance policy buyers will not be able to submit claims while in the waiting period. For the critically ill, there will usually be a waiting period of around 30 to 365 days. The waiting period is around 30 days. The insurance policy was purchased on February 1, 2015. Then he became critically ill on March 1, 2015. If he makes a claim, the insurance will only accept it if it has passed the waiting period.

6. Illnesses existed before the policy was purchased

The policy owner will also be denied his claim if he hides the disease when buying a claim. Even if the waiting period has passed, if it is proven that the disease that has arisen has been experienced before purchasing the policy, the insurance will reject the claim. So, ensure the customer is still in good health when buying insurance. Good faith by providing information honestly.

7. Proposed Claims Include Exceptions

In addition to regulating things that are included in the insurance coverage, the policy also regulates exceptions. These exceptions are things that are not included in the insurance coverage. In life insurance, these exceptions include death by suicide, court sentences, and crime.

8. Policyholder Violating the Law

Another reason for rejecting an insurance claim is if the health insurance policyholder (the insured) will also not be able to submit a claim if, for example, he is seriously injured as a result of being beaten by a mob when he commits a crime or the policyholder (the insured) violates the law and has an accident due to violation of traffic rules. Cross. This condition can cause

insurance policy claims to be rejected. Insurance policies always comply with applicable law, so it is impossible to accommodate matters due to law violations.

9. **Committing an insurance crime**

What is meant by insurance crime is an act of lying or sabotage that is deliberately carried out by the policy owner or his heirs so that insurance claims are paid, such as falsification of documents, manipulative claims, fake invoices, and exaggerating losses. An insurance policy owner may injure himself, burn his own house, or intentionally cause an accident to get compensation from insurance. The insurer will automatically reject the claim if, after investigation, it is found that the action was intentional. The same applies if the heir commits a crime against the policy owner to get a claim from insurance.

CONCLUSION

Legal arrangements regarding implementing legal principles of agreements between policyholders and insurance companies (research study at PT. Asuransi Jiwa Sequis Life Batam branch), Law of the Republic of Indonesia No. 40 of 2014 concerning Insurance. Article 1320 of the Civil Code states that "four conditions are required for a valid agreement to be valid, namely: the agreement of those who bind themselves, skill in agreeing, a certain subject matter, and a cause that is not prohibited."

Article 246 of the Commercial Law Code concerning the meaning of Insurance: "Insurance or Coverage is an agreement whereby the insurer binds himself to the insured by accepting a premium to provide compensation to him due to loss, damage or loss of expected profits that he may suffer as a result of an event (event) not sure)."

From the results of interviews with the discussants in chapter 3 (three), it can be concluded that factors inhibit insurance claims so that claims are often rejected due to the lack of knowledge from the customer regarding the requirements for submitting a claim or administrative completeness and what riders the customer buys. From these insurance products, customers need help understanding the rules of claims or the benefits they buy from them.

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