



**COUNTRY
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Indonesia

INSURANCE & REINSURANCE

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This country-specific Q&A provides an overview of insurance & reinsurance laws and regulations applicable in Indonesia.

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INDONESIA

INSURANCE & REINSURANCE



1. How is the writing of insurance contracts regulated in your jurisdiction?

In Indonesia, insurance contracts are primarily governed by Law No. 40 of 2014 concerning Insurance, which was enacted on October 17, 2014, and most recently amended by Law No. 4 of 2023, dated January 12, 2023 ("**Insurance Law**"), and its implementing regulations. The Insurance Law and its implementing regulations are implemented in conjunction with the Indonesian Civil Code and the Indonesian Commercial Code. The insurance sector also is regulated and supervised by the Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* or "**OJK**").

An insurance contract, or insurance policy, is defined as a written deed of insurance contract or other documents equivalent to a deed of insurance contract, along with any other documents that form an inseparable part of the insurance contract. These documents contain an agreement between the insurance company or sharia insurance company and the policyholder, insured, or participant.

OJK Regulation No. 23/POJK.05/2015 concerning Insurance Products and Marketing of Insurance Products, dated November 26, 2015 ("**OJK Reg. 23**"), provides that that an insurance policy must not contain words, phrases, or sentences that could result in different interpretations of the covered risks, the insurance company's obligations, or the obligations of the policyholder, insured, or participant. OJK Reg. 23 also provides that the wording used in an insurance policy must not create difficulties for the policyholder, insured, or participant in managing their rights.

OJK Reg. 23 further regulates the minimum provisions that must be contained in an insurance policy, such as the effective date of coverage, description of promised benefits, method of premium or contribution payment, and grace period for premium or contribution payment. Different minimum provisions apply for sharia-based insurance contracts.

2. Are types of insurers regulated differently (i.e. life companies, reinsurers?)

Yes, the Insurance Law regulates different types of insurers differently, such as conventional and sharia insurance companies. Conventional insurers encompass businesses like health insurance and personal accident insurance companies, as well as reinsurance for risks associated with other conventional insurance companies. Sharia insurance and sharia reinsurance businesses operate based on sharia principles. Each type of insurer is subject to different implementing regulations to which they must adhere. The regulations also vary depending on whether the insurance product is sharia-based.

3. Are insurance brokers and other types of market intermediary subject to regulation?

Yes, OJK Reg. 23 regulates the marketing of insurance products and imposes restrictions on the marketing channels permitted to market these products. Allowed marketing channels include:

- i. direct marketing;
- ii. insurance agents;
- iii. bancassurance;
- iv. business entities other than banks.

Certain insurance products may be marketed through marketers. Examples of marketing channels involving marketers include community-based approaches and farming cooperative employees.

4. Is authorisation or a licence required and if so how long does it take on average to obtain such permission? What are the key criteria for authorisation?

The Insurance Law requires companies to obtain a business license from the OJK before engaging in the insurance business in Indonesia. The processing time for license applications varies depending on the type of

insurer, but the OJK usually takes up to 30 business days to approve or reject a complete and correct application.

To obtain a license from the OJK, companies must meet certain criteria, which include having a name that characterizes their activities and meeting minimum paid-up capital requirements.

Additionally, insurance companies must have a minimum guarantee fund of 20% of the required minimum paid-up capital when applying for a business license. The guarantee fund serves as the final protection to ensure the interests of policyholders, insured, or participants in the event of the liquidation of the company.

5. Are there restrictions or controls over who owns or controls insurers (including restrictions on foreign ownership)?

Under the Insurance Law, only foreign legal entities that are insurance companies with a similar insurance business or holding companies with a subsidiary in a similar insurance business may own shares in Indonesian insurance companies. Further, under Government Regulation (“GR”) No. 14 of 2018 concerning Foreign Ownership in Insurance Companies, dated April 18, 2018, as last amended by Government Regulation No. 3 of 2020, dated January 20, 2020 (“GR 14/2018”), the foreign legal entity must have equity of at least five times the amount of direct investment in the Indonesian insurance company at the time of establishment and at the time of any ownership change in the insurance company. The OJK has the discretion to impose additional requirements and it will assess whether the foreign legal entity has complied with all the requirements.

Foreign citizens can only own insurance companies in Indonesia through stock exchange transactions.

Additionally, note that under GR 14/2018, foreign ownership in an insurance company is limited to 80% of the paid-up capital of the insurance company.

6. Is it possible to insure or reinsure risks in your jurisdiction without a licence or authorisation? (i.e. on a non-admitted basis)?

No, this is not possible.

7. Is a branch of an overseas insurer,

insurance broker and/or other types of market intermediary in your jurisdiction subject to a similar regulatory framework as a locally incorporated entity?

First, an overseas insurer, insurance broker, or market intermediary cannot open a branch in Indonesia without establishing a locally incorporated entity. The locally incorporated entity can be in the form of a limited liability company or a cooperative.

All insurance businesses in Indonesia are subject to OJK supervision and they must obtain a license from the OJK. Given that branches of overseas insurers, insurance brokers, and other types of market intermediaries also require licensing from the OJK, they are subject to the same regulatory framework as locally incorporated entities.

8. Are there any restrictions/substance limitations on branches established by overseas insurers?

No. Limitations on branches do not depend on whether they were established by overseas insurers.

9. What penalty is available for those who operate in your jurisdiction without appropriate permission?

If a party engaged in the insurance business fails to obtain the appropriate licensing from the OJK, pursuant to OJK Regulation No. 68/POJK.05/2016 concerning Licensing and Institution of Insurance Broker Companies, Reinsurance Broker Companies, and Insurance Loss Appraisal Companies, dated December 28, 2016, as last amended by OJK Regulation No. 11/POJK.02/2021, dated July 7, 2021 (“OJK Reg. 68/2016”), it may face administrative sanctions such as a written warning and restrictions on business activities, either in part or entirely. In addition to administrative sanctions, the OJK may impose additional sanctions, including a prohibition on being a shareholder, controller, director, commissioner, or occupying an executive position below the board of directors in an insurance company.

10. How rigorous is the supervisory and enforcement environment? What are the key areas of its focus?

The supervisory and enforcement environment in the insurance industry in Indonesia is rigorous and closely monitored by the OJK. The key areas of focus for

regulation and supervision of insurance business activities include good corporate governance, business conduct, and financial health.

The OJK carries out supervision through activities such as requiring insurance companies to provide reports, and by examining and investigating insurance companies. Examinations may be conducted periodically and/or at any time, either by the OJK directly or by another party delegated by the OJK to act on its behalf. These examinations can take place at the insurance company's office, covering all aspects of the company's business operations or only specific aspects, or at the OJK's office, focusing exclusively on particular aspects of the insurance company's business operations. In addition to regulatory supervision, the OJK has enforcement powers to impose administrative sanctions and additional sanctions at its discretion.

11. How is the solvency of insurers (and reinsurers where relevant) supervised?

Insurers and reinsurers are required by the OJK to meet the required financial soundness criteria at all times. Pursuant to OJK Regulation No. 71/POJK.05/2016 concerning Financial Soundness of Insurance and Reinsurance Companies, dated July 1, 2017, as last amended by OJK Regulation No. 27/POJK.05/2018, dated December 10, 2018 ("**OJK Reg. 71/2016**"), financial soundness is assessed based on (i) solvency level; (ii) technical reserves; (iii) sufficiency of investments; (iv) equity; and (v) guarantee fund.

OJK Reg. 71/2016 further regulates that insurance and reinsurance companies are required to maintain a minimum solvency level of 100% of the Minimum Risk-Based Capital (MMBR). For context, MMBR is the amount of funds required to anticipate the risk of losses that may arise as a result of deviations in the management of assets and liabilities.

Insurance and reinsurance companies also are required by the OJK to establish an internal solvency target of at least 120% of MMBR, which must be met at all times, and are prohibited from paying dividends or providing compensation that may result in failure to meet the required internal solvency target.

Failure to maintain financial soundness, including meeting the required solvency level, is subject to administrative sanctions by the OJK in the form of written warnings, restrictions on business activities, either entirely or in part, or revocation of business license. The OJK may also impose additional sanctions, including:

- i. prohibition on marketing insurance products for certain business lines;
- ii. re-assessment of capability and suitability of the controllers, directors, commissioners, or equivalent positions in the company;
- iii. prohibition on the company becoming a shareholder or the equivalent of a shareholder, or a controller in a cooperative or joint venture legal entity in an insurance company; and
- iv. prohibition on shareholders, controllers, directors, or commissioners, or their equivalents, in the company becoming shareholders, controllers, directors, or commissioners, or their equivalent, in a cooperative or joint venture legal entity in an insurance company.

12. What are the minimum capital requirements?

The OJK regulates minimum paid-up capital requirements ranging from Rp3 billion to Rp5 billion, depending on the activities of the company, based on OJK Reg. 68/2016.

The paid-up capital must be fully paid and in cash in the form of a time deposit or a checking account at a public bank, sharia public bank, or sharia business unit of a public bank in Indonesia. For sharia-based insurance and reinsurance companies, the funds must be held in a sharia-based bank.

13. Is there a policyholder protection scheme in your jurisdiction?

Yes. Insurance companies that plan to terminate their business activities must first report their plan to the OJK. They will be required first to settle all their obligations, and only once they have settled all their obligations will the OJK revoke the business license of the relevant insurance company.

In the event of the bankruptcy or liquidation of an insurance or reinsurance company in Indonesia, policyholders and beneficiaries have a higher priority for asset distribution than other creditors. For shariah-based insurers and reinsurers, tabarru' funds, mudharabah funds, and participant investment funds cannot be used to pay obligations to parties other than policyholders, participants, and other beneficiaries.

14. How are groups supervised if at all?

While there is no specific regulation concerning groups, the OJK maintains the authority to supervise and regulate insurance companies and their affiliated entities to a certain extent. For instance, pursuant to OJK Regulation No. 69/POJK.05/2016 concerning Business Operation of Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies, dated December 28, 2016z, as last amended by OJK Regulation No. 38/POJK.05/2020, dated June 18, 2020 ("**OJK Reg. 69/2016**"), the OJK allows insurance companies in Indonesia to place their data centers or disaster recovery centers overseas if the insurance companies meet certain requirements regarding the use of data, including the use of data for integrated analysis compliance, risk management, anti-money laundering and terrorism financing prevention, communication management, or internal management, within a business group that includes entities with similar business activities outside of Indonesia. Further, OJK approval is required and will be granted if, among other conditions, the company commits to periodically reporting the assessment results conducted by the parent company, main entity, and/or other entities with similar business activities within the same group outside of Indonesia, concerning the implementation of risk management at the central information technology service provider (data center) and disaster recovery center.

15. Do senior managers have to meet fit and proper requirements and/or be approved?

Yes, prospective main parties of insurance companies are required to obtain the approval of the OJK before performing any actions, tasks, or functions for the insurance company. Main parties include controlling shareholders, members of the board of directors, board of commissioners and sharia supervisory board, internal auditors, and company actuaries. To obtain OJK approval, prospective main parties must pass a fit and proper test that assesses their integrity, financial eligibility, reputation, and competency.

Pursuant to OJK Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test for Key Persons in Financial Service Institutions, dated July 22, 2016 ("**OJK Reg. 27/2016**"), failure to comply with the fit and proper testing requirement is subject to administrative sanctions. These administrative sanctions include (i) written warnings; (ii) downgrade of the company's financial soundness level; (iii) cancellation of fit and proper results; (iv) restrictions on business activities; (v) management replacement; (vi) inclusion of management on the list of parties prohibited from becoming main

parties in an insurance company; (vii) revocation of the company's approvals, registrations, and certifications; and/or (viii) revocation of business license.

16. To what extent might senior managers be held personally liable for regulatory breaches in your jurisdiction?

In Indonesia, if senior managers of insurance companies are found to be negligent in carrying out their duties or to have intentionally committed violations, they can be held personally liable for regulatory breaches. The severity of these penalties varies depending on the nature and extent of the breach.

17. Are there minimum presence requirements in order to undertake insurance activities in your jurisdiction (and obtain and maintain relevant licenses and authorisations)?

There is no minimum presence requirement to undertake insurance activities in Indonesia.

18. Are there restrictions on outsourcing services, third party risk management and/or operational resilience requirements relating to the business?

Insurance companies in Indonesia are allowed to collaborate with other parties for the purpose of obtaining business or outsourcing some of their business operations. This can be done through outsourcing agreements or manpower service provision agreements.

Pursuant to OJK Reg. 69/2016, service providers must meet certain requirements, including being an Indonesian legal entity with a valid business license, having good financial performance and reputation, adequate resources to support the delegated work, and no conflict of interest. If a foreign legal entity is involved, the insurance company must report the outsourcing plan to the OJK at least 14 days before the agreement is signed, and the outsourcing agreement must regulate the type, value, and duration of the transfer of business management functions.

Any outsourcing cooperation must be carried out under direct orders from the insurance company, it must not hinder the insurance company's activities, and it must be documented in a written agreement. Insurance companies are also required to have and implement selection and accountability standards for their potential

partners. These standards help ensure that the companies they choose to collaborate with meet specific criteria and maintain the quality and integrity of the insurance company. Further, insurance companies must ensure that the cooperation is carried out in accordance with the written agreement and the provisions of laws and regulations.

19. Are there restrictions on the types of assets which insurers or reinsurers can invest in or capital requirements which may influence the type of investments held?

Yes, there are restrictions under OJK Reg. 71/2016 on the types of assets which insurers or reinsurers can invest in or capital requirements which may influence the type of investments held. There are two categories of assets: permitted assets for investment and permitted assets for non-investment. Insurance companies must exercise caution in placing their investments.

Permitted assets for investment include time deposits, stocks, corporate bonds, and real estate investment funds, with the inclusion of investments using sharia principles. Permitted assets for non-investment include cash and bank deposits, direct closing premium bills, reinsurance premium bills, reinsurance assets, co-insurance claims bills, reinsurance claims bills, investment claims bills, investment returns bills, buildings with strata title or land with buildings for self-use, and deferred acquisition costs.

Restrictions on permitted assets for investment include a cap on the maximum percentage of investment in various types of assets such as bank deposits, stocks, bonds, and real estate, with certain exemptions and exceptions for specific types of investments. The total amount of investment in certain asset types cannot exceed 80% of the total investment.

Additionally, the placement of permitted assets as investments in affiliated parties with the company or in one or multiple non-affiliated parties is limited to a maximum of 25% of the total investment. If the placement exceeds the allowed limit, approval from the OJK is required.

20. Are there requirements or regulatory expectations regarding the management of an insurer's reinsurance risk, including any restrictions on the level / type of

reinsurance utilised?

Yes. In Indonesia, OJK Reg. 69/2016 requires every insurance company to have reinsurance support through an automatic reinsurance or sharia reinsurance agreement. These agreements must be in writing and cannot guarantee fixed profits for the reinsurer. The term "guaranteeing fixed profits" refers to any clause that suggests the reinsurer is assured of profits from the agreement.

Furthermore, these agreements must contain a statement specifying that, in the event of liquidation of either the insurance company or the reinsurance company, the rights and obligations arising from the reinsurance transactions will remain binding until one or both companies are fully liquidated. There do not appear to be any specific restrictions on the level or type of reinsurance utilized.

21. How are sales of insurance supervised or controlled?

In Indonesia, insurance companies are restricted to specific channels for marketing their insurance products. These channels include direct marketing, insurance agents, bancassurance, and non-bank businesses. Additionally, microinsurance products can be marketed through the aforementioned channels as well as by marketing personnel.

When insurance products are marketed through any of these channels, insurance companies are required to ensure that the marketing party provides accurate, clear, honest, and non-misleading information about the insurance products to potential policyholders, insured, or participants before they decide to purchase the insurance products. Insurance companies are responsible for all actions taken by the marketing party related to the insurance products being marketed.

22. To what extent is it possible to actively market the sale of insurance into your jurisdiction on a cross border basis and are there specific or additional rules pertaining to distance selling or online sales of insurance?

Generally, it is not possible to actively market the sale of insurance into Indonesia on a cross-border basis without the party having the necessary licensing under Indonesian law, especially noting that any insurance business activities in Indonesia must be conducted by an insurance company that has been established in

Indonesia and licensed by the OJK. However, there are some exceptions to this rule. For example, the sale of insurance for travel overseas may be conducted by foreign insurers that have entered into a cooperation agreement with a licensed Indonesian insurance company.

23. Are insurers in your jurisdiction subject to additional requirements or duties in respect of consumers? Are consumer policies subject to restrictions, including any pricing restrictions? If so briefly describe the range of protections offered to consumer policyholders

Yes, insurers in Indonesia are subject to additional requirements concerning consumers, as the OJK has issued comprehensive consumer protection regulations, including OJK Regulation No. 6/POJK.07/2022 concerning Consumer and Public Protection in the Financial Service Sector, dated April 18, 2022 (“**OJK Reg. 6/2022**”), which is applicable to financial service providers, including insurers. Insurers must adhere to specific requirements related to promoting insurance products, establishing consumer protection units, and data storage. Although no pricing restrictions such as caps on premiums or other pricing-related restrictions are imposed directly on insurers, the OJK does require financial service providers, including insurers, to prepare pricing guidelines. These guidelines should address various aspects such as expenses incurred in producing products and services, expected profit, offering prices to consumers, and any penalty fees or sanction-related costs.

When promoting or advertising, insurers in Indonesia must provide accurate, clear, and non-misleading information, and promptly withdraw any misleading materials. The OJK supervises this process and can require the withdrawal of promotional materials, which insurers must comply with within seven days upon receiving the request. Promotional materials such as brochures or leaflets should include easy-to-understand information outlining benefits, claim submission processes, exceptions, and applicable terms and conditions. For all other promotional content, provisions related to clarity, benefits, and terms and conditions must be met at a minimum.

Insurers are also required to establish dedicated working functions or units responsible for handling and resolving consumer complaints without imposing fees. Additionally, insurers are required to create dedicated functions or units for implementing consumer and

community protection regulations, which may be combined with other functions or units as needed.

24. Is there a legal or regulatory resolution regime applicable to insurers in your jurisdiction?

Yes, there is a legal and regulatory regime for insurers in Indonesia in relation to resolution. This regime is primarily governed by the Indonesia Insurance Law and the Insolvency Law. Under the Indonesia Insurance Law, only the OJK has the authority to initiate bankruptcy or debt payment postponement proceedings against insurance companies. The procedures and requirements for initiating such proceedings must comply with the provisions of relevant laws and regulations.

Creditors may submit a request to the OJK to initiate bankruptcy or debt payment postponement proceedings in Commercial Court, and the OJK must approve or reject the request within 30 days of receiving it in complete form.

25. Are the courts adept at handling complex commercial claims?

Indonesian courts are generally equipped to handle complex commercial claims. However, the level of adeptness in handling such claims may vary depending on factors such as the experience and expertise of the judges, the availability of resources, and the complexity of the specific case.

Indonesia has established a specialized court system for commercial matters called the Commercial Court, which has jurisdiction over decisions pertaining to bankruptcy cases and the postponement of debt payment obligations (PKPU). Additionally, the Commercial Court is authorized to address other commercial disputes, including those involving intellectual property rights and disputes arising from the bank liquidation process.

26. Is alternative dispute resolution well established in your jurisdictions?

Alternative dispute resolution is well-established in Indonesia, with mechanisms such as arbitration and mediation being increasingly utilized for their efficiency and flexibility. The Indonesian National Board of Arbitration (BANI) is the country’s most prominent arbitration institution and administers both domestic and international arbitration proceedings under its own procedural rules. Furthermore, Indonesia facilitates the enforcement of foreign arbitral awards within its borders.

Mediation has also gained traction in Indonesia as an effective means of dispute resolution. In many cases, Indonesian courts encourage parties to explore mediation as a means of settling disputes before resorting to litigation.

27. Is there a statutory transfer mechanism available for sales or transfers of books of (re)insurance? If so briefly describe the process

In Indonesia, insurers can only transfer a part of their insurance portfolio after obtaining approval from the OJK. The transfer must not infringe on the rights of the insured parties and must be carried out to another insurer that has the same line of business and a similar product or reinsurance agreement. The OJK's approval or rejection of the transfer request will be issued within 30 working days of receipt, and if necessary, the OJK may conduct a direct examination. Once approved, the transferring insurer must (i) notify all relevant parties, including the insured, in writing, and (ii) announce the transfer on their website and in national daily newspapers for at least three consecutive days. This notification and announcement should include the time frame for insured parties to reject the transfer, the consequences of rejecting it, and the mechanism for settling the rights of those who reject the transfer.

Insurers are required to provide the insured with an opportunity to reject the transfer of their insurance coverage to another company within one month from the date of the announcement. In cases where the insured parties refuse the transfer of their insurance to another company, the insurance coverage will be terminated.

28. What are the primary challenges to new market entrants? Are regulators supportive (or not) of new market entrants?

Regulatory compliance represents a significant challenge for new market entrants in the insurance sector, which is heavily regulated by the OJK in Indonesia. Obtaining a license can be a complex and time-consuming process, requiring adherence to numerous regulations and guidelines. Moreover, the insurance industry in Indonesia imposes limitations on foreign share ownership, which can restrict the entry of foreign players.

However, the OJK, as the primary regulator, is generally supportive of new market entrants and aims to encourage competition and innovation in the insurance

sector. The OJK is open to consultations and can provide guidance to new entrants navigating the regulatory landscape.

29. To what extent is the market being challenged by digital innovation?

Digital innovation in Indonesia has led to the emergence of insurtech, which has disrupted the traditional insurance landscape by offering innovative, digital-first solutions to consumers. However, in general, existing players in the market have been quick to adapt to digital innovation to enhance their operations and customer experience. The adoption of digital technologies has allowed traditional insurance companies to streamline various processes, such as sales, claims processing, and customer support.

30. How is the digitization of insurance sales and/or claims handling treated in your jurisdiction, for example is the regulator in support (are there concessions to rules being made) or are there additional requirements that need to be met?

Yes. The OJK acknowledges the emergence of digital-based insurance activities and has issued additional regulations to address this development. As a result, companies engaging in digital-based insurance activities must obtain supplementary approval from the OJK. This added layer of regulation ensures that digital insurance providers adhere to the same standards as traditional insurers, fostering a fair and competitive market landscape. The OJK's proactive approach to overseeing digital insurance activities demonstrates its commitment to maintaining a well-regulated environment that supports both traditional and innovative insurance business models.

31. To what extent is insurers' use of customer data subject to rules or regulation?

In Indonesia, insurers are required to utilize a data management system that produces accurate and accountable information for decision-making. Additionally, for the purpose of law enforcement and the enforcement of national sovereignty over citizens' data, insurers must place data in data centers and disaster recovery centers within Indonesian territory.

32. To what extent are there additional restrictions or requirements on sharing customer data overseas/on a cross-border basis?

The Insurance Law does not specifically regulate the requirements or restrictions relating to sharing customer data overseas or on a cross-border basis. However, insurers, in their capacity as personal data controllers, are subject to personal data transfer provisions under Law No. 27 of 2022 concerning Personal Data Protection, dated October 17, 2022 (“**Indonesia Data Protection Law**”). When transferring personal data, a personal data controller must ensure that the country where the recipient personal data controller and/or personal data processor is located has personal data protection standards that are equivalent to or higher than those outlined in the Indonesia Data Protection Law. If these conditions are not met, insurers (personal data controllers) must ensure adequate and binding personal data protection. If neither of these provisions is fulfilled, the personal data controller must obtain the consent of the insured (personal data subject).

33. To what extent are insurers subject to ESG regulation or oversight? Are there regulations/requirements, including in connection with managing climate change and climate change related financial risks specific to insurers? If so, briefly describe the range of measures imposed.

The OJK requires all financial service institutions, including insurers, to implement sustainable finance in their business activities, pursuant to OJK Regulation No. 51/POJK.03/2017 concerning Sustainable Finance Implementation for Financial Service Institutions, Issuers, and Public Companies, dated July 27, 2017 (“**OJK Reg. 51/2017**”). This implementation involves using the following principles: a) responsible investment, b) sustainable business strategies and practices, c) social and environmental risk management, d) governance, e)

informative communication, f) inclusivity, g) development of priority leading sectors, and h) coordination and collaboration. By adhering to these principles, these entities aim to promote sustainable finance in their operations, contributing to long-term economic growth and development.

34. Is there a legal or regulatory framework in respect of diversity and inclusion to which (re)insurers in your jurisdiction are subject?

There is no specific regulatory framework related to diversity and inclusion specifically for the insurance industry in Indonesia. However, companies in the country are generally required to adhere to the principles of non-discrimination and equal opportunity in the workplace, as stated in various laws and regulations, such as the Manpower Law and the Elimination of Racial and Ethnic Discrimination Law.

35. Over the next five years what type of business do you see taking a market lead?

As of January 31, 2023, data from the Social Security Administration Agency (BPJS), a national legal entity responsible for the mandatory health insurance program in Indonesia, shows that 249.67 million participants are enrolled in the National Health Insurance program. The OJK states that out of the total Indonesian population of more than 280 million, only 4.5 million individuals have additional insurance policies beyond the BPJS, with life insurance being the most common type of policy.

Over the next five years, life insurance is expected to continue dominating the market in Indonesia. However, the rise of insurtech, driven by technological advancements in the country, is also noteworthy. Although the development of insurtech has been relatively slow, the rapid progression of technology suggests that insurtech will likely become a top contender for market leadership in the coming years.

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