

LEGAL PROTECTION OF CONSUMERS USERS OF PRIVATE LIFE INSURANCE SERVICES

Angga Gumilar Rasmita¹, Endang Sutrisno², Waluyadi³,
1anggagr@stikesmahardika.ac.id, 2endang.sutrisno@ugj.ac.id, 3wluyadi01@gmail.com

Gunung Jati Swadaya University Postgraduate School
Master of Laws Program



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ABSTRACT: Insurance or coverage is an agreement where the insurer promises to the insured party, through premium payments, intending to provide compensation for losses, damages, or loss of profits that suddenly occur due to an event that cannot be anticipated in advance. The purpose of this study is to understand how legal protection is provided to consumers against unfair clauses in life insurance policies, as well as to identify the role of the Indonesian Life Insurance Association in ensuring that policyholders' rights are fulfilled adequately within the framework of consumer protection in the life insurance sector. Represented by PT. Prudential Life Assurance. The primary focus of this study is on how the Financial Services Authority fulfills its role in safeguarding the legal rights of the Insured when a life insurance policy claim is rejected at PT. Prudential Life Assurance. This research focuses on the analysis of normative juridical law, where law is defined as an entity recorded in laws and regulations, or as a set of principles and norms that direct human behavior. The method applied in this study involves a systematic approach to the investigation process. The research results indicate that the rights and responsibilities of all parties are effectively implemented, whereby the customer holding the policy will receive compensation payments upon submitting a claim and receive a premium according to their entitlement.

Keywords: Legal Protection, Insurance, PT. Prudential Life Assurance.

I. INTRODUCTION

In principle, insurance is a contract. Contracts are a form of legal obligation. The contract creates a legal obligation in which the individual commits to another individual to perform specific actions. In contrast, a legal obligation is a bond formed between two parties in the management of assets, where the party acting as the beneficiary has the right to receive services, and the other party, namely the obligor, is obliged to fulfill those services.

Currently, progress in the insurance industry sector has become one of the main pillars of the economy. The role of the insurance sector is becoming increasingly crucial in line with the growing trend of globalization and trade liberalization, rapid technological advances, and developments in various fields in the financial industry and real market, especially in Indonesia.

The role of the insurance industry in the Indonesian economy is enormous in scope, and its breadth cannot be overstated. However, as a form of service, the insurance industry is experiencing slow growth due to the lack of consumer interest in purchasing insurance

products. However, reality indicates that several activities in the industrial and trade sectors cannot run without the support of insurance product services.

However, along the way, several obstacles remain for consumers who use insurance services or are referred to as policyholders. For example, there is still considerable confusion regarding claim settlement procedures, issues in handling claims, poorly understood forms of claim settlement, and other technical problems.

In implementing the dynamics that occur in society, everyone has the right to life, including the right to livelihood, independence, and the right to safety. Each of these rights is enshrined in the Universal Declaration of Human Rights. And it is also stated that modern society agrees on five fundamental consumer rights as follows:

1. The right to protection of health and safety
2. The right to protect economic interests;
3. The right to receive compensation;
4. The right to information; And
5. The right to be heard.

In the implementation of one of the rights mentioned above, namely the right to health and safety protection, it is one of the concepts to transfer risk or better known as the use of insurance, both health insurance and life insurance, so that every community has the right to choose to take a concept that aims to protect himself and others, both in the form of personal physical and assets owned by each individual.

However, with all the developments that have taken place in the dynamics of insurance development in Indonesia, several issues are still becoming problems in society, among which the author examines the cases/disputes of PT Insurance. Prudential Life Assurance, namely insurance services with consumers related to differences in interpretations and claims of a health insurance agreement/object, which results in the process and amount of claim money not as expected or not under what was agreed in the policy.

This began with the existence of an insurance/health insurance policy agreement in the form of a standard clause, which stated that Sumarni (45 years old), as a consumer (insured/policyholder), agreed to pay a monthly premium of Rp. 500,000 (five hundred thousand rupiah), 10 years of dependents with the dependent object as stated in the policy, one of which is related to critical condition coverage, namely medical action in the form of surgery. However, after only 4 (four) months of the policy agreement, the consumer experienced an accident/event of breast pain and had to undergo surgery in the form of a surgical procedure so that the consumer underwent breast surgery.

This case is interesting for the writer to become the object of research because consumers feel disadvantaged due to differences in the interpretation of the agreement clauses and non-transparent procedures from PT. Prudential Life Assurance and the existence of disputes or acts of broken promises from the contents of the policy agreement. So this becomes a legal study of consumer protection against the standard clauses of the insurance agreement and the legal responsibility of PT. Prudential Life Assurance for fulfilling consumer rights as policyholders.

Based on the introduction above, the authors formulate the problem formulation and limit it, among others, that the researcher will find out how is the legal protection for consumers against the life insurance agreement clauses of PT. Prudential Life Assurance and What are the legal responsibilities of PT. Prudential Life Assurance on the fulfillment of policyholder rights in the context of consumer protection. The above aims to determine legal protection for consumers against the life insurance clause of PT. Prudential Life Assurance. To find out the

responsibility of the Indonesian life insurance association for fulfilling the rights of policyholders in the context of consumer protection in the life insurance of PT. Prudential Life Assurance.

II. RESEARCH METHODS

There are three basic viewpoints in the view of legal positivism. The first foundation of this viewpoint is the belief that law is an instruction made by humans, which isolates law from the realm of morality.

Then, the focus shifts to research on legal aspects that are separate from external factors such as history, social aspects, and politics.

The three forms of legal systems are closed logical systems, in which valid decisions can be deductively drawn from legal regulations stipulated by purely rational considerations. One of the strong aspects of the legal positivism approach is the argumentation based on the application of positive norms to the reality of people's lives.

In exploring scientific work, three main approaches can be used, known as the grand method. First, there is library research, which relies on literature as the basis for research. Second, there is field study, where research is carried out directly in the field. Finally, bibliographic research focuses on analyzing the ideas implicit in theory.

Based on the study subject and the characteristics of the problems found, the library study method, one of the three types of grand methods described, will be applied in this research. This type of research is also commonly referred to as "Legal Research" or "Legal Research Instruction." This type of legal research does not involve collecting field data, as its focus is on analyzing existing legal materials. Therefore, it can be considered library-based, focusing on the reading and analysis of primary and secondary materials.

III. RESEARCH RESULT

A. Legal Protection for Consumers Against PT. Prudential Life Assurance by the Financial Services Authority

When consumer rights are protected by strong legal guarantees, as emphasized in various special laws, the hope is that businesspeople will refrain from taking arbitrary actions that are consistently detrimental to consumer rights. With the existence of regulations such as Law Number 8 of 1999 concerning Consumer Protection and other relevant laws, a balance of rights and interests is established for consumers, which also grants them the right to file claims if their rights are violated or harmed by business actors.

The paragraph in Chapter VIII, Article 31 of Law Number 8 of 1999, outlines the establishment of the National Consumer Protection Agency in Indonesia, which acts as a government agency specifically focused on protecting consumer rights against those who provide products and services. In the face of rapid economic growth and increasingly complex diversification of financial products and services in Indonesia, the impact of globalization on the financial services industry and companies is becoming evident. As a result, the Financial Services Authority was established as an independent supervisory institution in the financial sector, operating outside the realm of government. One of the Financial Services Authority agencies operates in Cirebon City.

PT. Prudential Life Assurance Insurance is an entity that offers insurance services in various variants, including:

1. Health Insurance
2. Education Insurance
3. Islamic Life Insurance

The head office of PT. Prudential Life Assurance is located on the ground floor of the Panin Life Center building, at Jalan Letjen S Parman, Kav 91, Jakarta 11420. Meanwhile, the marketing representative office is located on Jalan Samadikun, Cirebon City. PT. Prudential Life Assurance, as a life insurance company, has made an offer to a consumer, namely Sumarni, through his agent, Brother Budiarto, SE. The offer was finally agreed upon by the parties through the signing of the offer agreement and the issuance of Policy No. 2015004895, thereby formalizing the agreement. According to Article 1338 of the Civil Code, all valid contracts are binding and have the same legal force as statutory regulations for the parties to the contract.

At 22.30 WIB on October 7, Sumarni experienced a health problem that required surgery in the area around the breast at the RS Hospital: Ciremai, the city of Cirebon. The presence of a tumor causes this condition. Article 20 in Policy No. 2015004895 confirms that the insurance liability for the risk of major surgery experienced by the insured applies in all situations and causes, except if the insured dies due to suicide, is sentenced to death by a court, or this event occurs within two years after the insurance agreement is valid or renewed, as well as if the criminal act was committed intentionally by a party that has an interest in insurance. Because primary operations are not included in the coverage exclusion list, the insurance company should pay for significant operating costs faced by the insured, namely Sumarni as the policyholder.

Sumarni submitted a claim application to PT. Prudential Life Assurance by attaching all the required document requirements, and also submitting the Insurance Policy to the company. Hoping to receive good news regarding the huge operating costs that she has been facing, Sumarni expressed her wish to PT. Prudential Life Assurance. However, on January 11, 2018, PT. Prudential Life Assurance sent a decision letter regarding claim No 0055/Claim/01.18 to Sumarni. According to the contents of the letter, the company is unable to make payments or approve the submitted claims. The reason is that there is a discrepancy between the terms of the diagnosis and the results submitted by the hospital doctor, which do not align with what is stated in the signed policy. Therefore, PT. Prudential Life Assurance is not in a position to meet the obligation to pay claims for major operating expenses that are not included in the policy coverage as the insured.

On 11 August 2018, Sumarni once again sent a letter alluding to the rejection of Claim No 0055/Claim/01/18 by PT. Prudential Life Assurance. However, on August 21, 2018, PT. Prudential Life Assurance instead stated refusal, similar to the initial response letter. They repeated the reason that the breast tumor suffered by the Insured under the Sumarni Policy was detected after the Insured was admitted to Ciremai Hospital, Cirebon City, on 17 August 2016. At that time, she was diagnosed with a breast tumor and required major surgery. On the other hand, the brain tumor experienced by the insured was only detected after the life insurance policy coverage period had begun, and from the start of the coverage to the time of surgery, it had been more than 2 (two) years from the issuance date of the individual life insurance policy.

PT. Prudential Life Assurance claims that the information provided by Sumarni is inaccurate or not based on the results of a valid medical examination. Therefore, until now, PT. Prudential Life Assurance has never stated the facts on which Sumarni's claim was rejected. Even though Sumarni, as the Policyholder, has repeatedly requested and submitted complaints to PT. Prudential Life Assurance, both through the promotion section in the Cirebon area and at the head office, fulfills its obligations, but PT. Prudential Life Assurance often ignores these requests and does not fulfill them for various reasons. With this description, it is revealed that PT. Prudential Life Assurance violated promises (defaults) on obligations that had been

approved in the Individual Life Insurance Program Policy following Article 1243 in the Civil Code.

B. PT. Prudential Life Assurance's Legal Responsibilities to Policyholders in the Context of Consumer Protection

In the context of an agreement, legal responsibility will arise for all parties involved. This legal responsibility is rooted in the agreement, as well as norms regulated by legal regulations, particularly in the context of insurance, as outlined in Law Number 40 of 2014 concerning Insurance. In addition, in the insurance policy of PT. Prudential Life Assurance, there are several provisions regarding rights and obligations that insurance companies must carry out as risk bearers:

a. Insurer's Obligations

1. The insurer is required to pay the cash value if the insured/policyholder lives until the end of the insurance period.
2. The insurer is obliged to pay the insurance benefits of the insured if the insured / policyholder experiences a surgical operation that results in total permanent disability or death, following the terms and conditions that apply.

b. Guarantor's Rights

1. The right to cancel the insurance contract and not be obliged to pay anything if all the statements, statements or other documents do not match the actual conditions of the insured/policyholder are deliberately falsified.
2. The right to dispute the correctness of the policy at any time and refuse to pay benefits and insurance claims if the conditions are not met and there is an element of fraud on the part of the insured/policyholder.
3. The right to ask for evidence related to the submission of a claim.
4. The right to determine and promise or target the amount of cash value that applies to each investment period.
5. The right to request the results of an autopsy or visum et repertum, if the insured/policyholder dies.
6. The right at any time to issue additional provisions and/or special terms of the policy and/or endorsement and/or other documents related to the policy, and will be an integral attachment to the policy.

Based on the researchers' findings, it was explained that the agreement between the party providing protection (the insurer) and the party being protected (the insured) in the health policy lasts for 12 months. At the end of the investment period, the insured or policyholder will receive the amount of money that has been invested during the period and is entitled to payment of claims in unforeseen situations or when health claims are still within the agreement timeframe—insurance between the insured and the insurer.

IV. CONCLUSION

- a. How to protect consumer rights regarding the inclusion of standard clauses in the policy agreement, both general provisions and special provisions, at PT. Prudential Life Assurance is regulated in Article 18 paragraph (3) of Law No. 8 of 1999 concerning Consumer Protection and Article 22 paragraph (1) of Financial Services Authority Regulation Number 1 of 2013 relating to Consumer Protection in the Financial Services Sector. An additional step to protect consumers when using standard clauses is to carry out supervision by the BPSK and the Financial Services Authority. In the event of a dispute, consumers also have

- a form of protection through a dispute settlement mechanism involving the Consumer Dispute Resolution Agency, the Financial Services Authority, and the Courts.
- b. Legal responsibility attached to PT. Prudential Life Assurance-related issues with policyholders/insureds regarding consumer rights arise when a company rejects consumer claims and fails to fulfill its obligations. This action can be considered a violation of the agreement and Law Number 40 of 2014 concerning Insurance, Article 31, paragraph (3), which stipulates that insurance companies must resolve claims and complaints through a fast, simple, easily accessible, and fair process. In addition, violations also occur following Law Number 40 of 2014 concerning Insurance Article 31 paragraph (4), which prohibits actions that delay settlement or payment of claims, or actions that should be neglected.

Although there is no specific article that regulates legal liability in the insurance policy of PT, Prudential Life Assurance, in the event of violations of Article 31, paragraphs (3) and (4), can be considered a basis for imposing sanctions according to Article 71. These sanctions can take the form of written warnings, restrictions on part or all of business activities, prohibition on marketing insurance products for specific business lines, revocation of business licenses, or administrative fines.

Suppose a consumer submits a dispute settlement through the Consumer Dispute Settlement Agency against PT. Prudential Life Assurance, the Consumer Dispute Resolution Agency, has the authority to resolve the dispute. This can lead to an amicable settlement through mediation, in which both parties can reach an agreement and peace under the supervision of the Consumer Dispute Settlement Agency.

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