



**PRESIDENT  
OF THE REPUBLIC OF INDONESIA**

**LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 40 YEAR 2014**

**ON**

**INSURANCE**

**BY THE GRACE OF ALMIGHTY GOD**

**PRESIDENT OF THE REPUBLIC OF INDONESIA,**

**CHAPTER I  
GENERAL PROVISIONS**

**Article 1**

In this Law, what is referred to by:

1. Insurance is an agreement between two parties, namely the insurance company and the policy holder, which becomes the ground for the receipt of premium by the insurance company as an exchange for:
  - a. providing compensations to the insured or policy holder due to loss, damage, incurring cost, profit loss, or legal liability towards third parties which may be suffered by the insured or policy holder due to an uncertain event; or
  - b. providing payments on the basis of the death of the insured or a payment on the basis of the life of the insured with a benefit of which value has been determined and/or based on the result of fund management.

2. Sharia Insurance is a collection of agreements, consisting of the agreement between the sharia insurance company and the policy holder and the agreement among the policy holders, for the purpose of management of the contributions on the basis of sharia principles in order to help and protect each other by means of:
  - a. providing compensations to the participant or policy holder due to loss, damage, incurred cost, profit loss, or legal liability towards third parties which may be suffered by the participant or policy holder due to an uncertain event; or
  - b. providing payments on the basis of the death of the participant or a payment on the basis of the life of the participant with a benefit the value of which has been determined and/or based on the result of fund management.
3. Sharia Principles are the principles of Islamic law in insurance activities based on the fatwa issued by an institution having the authority in fatwa issued in the field of sharia.
4. Insurance Related Business is any business related to the services of insurance or risk management, risk reinsurance, marketing and distribution of insurance products or sharia insurance products, consultation and intermediary of insurance, sharia insurance, reinsurance, or sharia reinsurance, or insurance or sharia insurance loss adjustment.
5. General Insurance Business is a business of risk insurance service providing a compensation to the insured or policy holder due to loss, damage, incurred cost, profit loss, or legal liability towards third parties which may be suffered by the insured or policy holder due to an uncertain event.
6. Life Insurance Business is a business organizing the service of risk alleviation providing payment towards the policy holder, the insured, or other parties entitled in the event of death or life of the insured, or other payments to the policy holder, the insured, or other parties entitled in a specific time as set in the agreement, of which amount has been stipulated and/or based on the result of the fund management.
7. Reinsurance Business is a business providing reinsurance service towards the risk faced by insurance companies, guarantee companies, or other reinsurance companies.
8. Sharia General Insurance Business is a business of risk management based on the Sharia Principles in order to help and protect each other by providing a compensation to the participant or policy holder due to loss, damage, incurred cost, profit loss, or legal liability towards a third party

which may be suffered by the participant or policy holder due to an uncertain event; or

9. Sharia Life Insurance Business is a business of risk management based on the Sharia Principles in order to help and protect each other by providing a payment on the basis of the death or life of the insured, or other payments to the participant or other parties entitled in a specific time as set in the agreement, the amount of which has been stipulated and/or based on the result of the fund management.
10. Sharia Reinsurance Business is a business of risk management based on the Sharia Principles over the risk faced by sharia insurance companies, sharia guarantee companies, or other sharia reinsurance companies.
11. Insurance Brokerage Business is a business of consultancy and/or intermediary services in the insurance or sharia insurance conclusion and their claim settlement management by acting for and on behalf of the policy holder, the insured, or the participant.
12. Reinsurance Brokerage Business is a business of consultancy and/or intermediary services in the placement of reinsurance or placement of sharia reinsurance and their claim settlement management by acting for and on behalf of the insurance companies, sharia insurance companies, guarantee companies, sharia guarantee companies, reinsurance companies, or sharia reinsurance companies conducting reinsurance or sharia reinsurance placements.
13. Insurance Loss Adjuster Business is a business of claim valuation service and/or consultancy service on insurance object.
14. Insurance Related Company is an insurance company, sharia insurance company, reinsurance company, sharia reinsurance company, insurance brokerage company, reinsurance brokerage company, and insurance loss adjuster company
15. Insurance Company is a general insurance company and life insurance company.
16. Sharia Insurance Company is a sharia general insurance company and a sharia life insurance company.
17. Party is a person or business entity, both in the form of legal entity or not.
18. Guarantee Fund is the assets of the Insurance Company, Sharia Insurance Company, Reinsurance Company, or sharia reinsurance company which is the last guarantee in order to protect the interest of the policy holder, the insured, or the participant in the event that the Insurance Company, Sharia Insurance Company, Reinsurance Company, and sharia Reinsurance Company are liquidated.

19. Controller is a Party that directly or indirectly have the ability to determine the board of directors, board of commissioners, or the equivalent to the board of directors or board of commissioners in a cooperative or mutual company and/or that influences the actions of the board of directors, board or commissioners, or equivalent to board of directors or board of commissioners in a cooperative or mutual company.
20. Insurance Fund is a collection of fund raised from the premiums formed to fulfill the obligations incurred from the policies issued or the insurance claims.
21. Tabarru' Fund is a collection of fund raised from the contributions of the participants, of which usage mechanism is pursuant to the Sharia Insurance agreement or the sharia reinsurance agreement.
22. Policy Holder is a Party binding itself/himself/herself on the basis of the agreement with an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company to obtain protection or management over the risk for itself/himself/herself, the insured or other participants.
23. The Insured is a Party facing the risk as set in the Insurance agreement of the reinsurance agreement.
24. Participant is a Party facing the risk as set in the Sharia Insurance agreement of the sharia reinsurance agreement.
25. Insurance Object is the life and body, human health, legal liability, goods and services, and all other interests that may be lost, damaged, prejudiced, and/or depreciated in terms of its value.
26. Insurance Broker is a person who works in an insurance brokerage company and fulfills the requirements to provide recommendation or represent the Policy Holder, the Insured, or the Participant in conducting insurance or sharia insurance conclusion and/or claim settlement.
27. Reinsurance Broker is a person who works in a reinsurance brokerage company and fulfills the requirements to provide recommendation or represent the Insurance Company, Sharia Insurance Company, guarantee company, sharia guarantee company, reinsurance company, or sharia reinsurance company in conducting reinsurance or sharia reinsurance conclusion and/or claim settlement.
28. Insurance Agent is a person who works by himself/herself or for a business entity, who acts for and on behalf of the Insurance Company or Sharia Insurance Company and fulfills the requirements to represent the Insurance Company or the Sharia Insurance Company to market the insurance or sharia insurance products.

29. Premium is a sum of money stipulated by an Insurance Company or reinsurance company and agreed by the Policy Holder to be payable based on the Insurance agreement or reinsurance agreement, or a sum of money stipulated based on the provisions of laws and regulations which govern compulsory insurance program for benefits.
30. Contribution is a sum of money stipulated by a Sharia Insurance Company or sharia reinsurance company and agreed by the Policy Holder to be payable based on the Sharia Insurance agreement or sharia reinsurance agreement in exchange of benefits from the Tabarru' Fund and/or the Participants' investment fund and to pay the management cost, or a sum of money stipulated based on the provisions of laws and regulations which govern compulsory insurance program for benefits.
31. Affiliation is a relationship between a person or a legal entity and another person or more, or another legal entity, as such so that one of them can influence the management or policy of the other person or legal entity or otherwise.
32. Compulsory Insurance Program is a program made compulsory by the laws and regulations for the whole or a certain group of the society in order to obtain protection against certain risks, excluding the program made compulsory by the laws to provide basic protection for the society with a cross-subsidy mechanism in terms of the stipulation of its Premium or Contribution.
33. Statutory Manager is a Party appointed by the Financial Services Authority to take over the management of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company.
34. Every Person is a natural person or corporation
35. Financial Services Authority is a regulatory and supervisory body of financial services sector as referred to in the law on financial service authority.
36. Financial Services Authority Regulation is written regulations stipulated by the Board of Commissioners of the Financial Services Authority as referred to in the law on financial service authority.
37. Government is the government of the Republic of Indonesia.
38. Minister is the minister who organizes the governmental affairs in the finance.

**CHAPTER II**  
**THE SCOPE OF INSURANCE BUSINESS**

Article 2

- (1) A general insurance company shall only conduct:
  - a. General Insurance Business, including the health insurance business line and the personal accident insurance business line; and
  - b. Reinsurance Business for the risk of another General Insurance Company.
- (2) A life insurance company shall only conduct Life Insurance Business including the annuity business line, health insurance business line, and personal accident insurance business line.
- (3) A reinsurance company shall only conduct Reinsurance Business.

Article 3

- (1) A sharia general insurance company shall only organize:
  - a. Sharia General Insurance Business, including the health insurance business line based on the Sharia Principles and personal accident insurance business line based on the Sharia Principles; and
  - b. Sharia Reinsurance Business for the risk of another Sharia General Insurance Company.
- (2) A sharia life insurance company shall only conduct Sharia Life Insurance Business including the annuity business line based on the Sharia Principles, health insurance business line based on the Sharia Principles, and personal accident insurance business line based on the Sharia Principles.
- (3) A sharia reinsurance company shall only conduct Sharia Reinsurance Business.

Article 4

- (1) An insurance brokerage company shall only conduct Insurance Brokerage Business.

- (2) A reinsurance brokerage company shall only conduct Reinsurance Brokerage Business.
- (3) An loss adjustor company shall only conduct Insurance Loss Adjuster Business.

#### Article 5

- (1) The business scope of General Insurance Business and Life Insurance Business as referred to in Article 2 paragraph (1) and paragraph (2) and Sharia General Insurance Business and Sharia Life Insurance Business as referred to in Article 3 paragraph (1) and paragraph (2) can be expanded according to the need of the society.
- (2) The expansion of the scope of General Insurance Business, Life Insurance Business, Sharia General Insurance Business, and Sharia Life Insurance Business as referred to in paragraph (1) can be taken in the form of benefit addition of which amount is based on the result of the fund management.
- (3) Further provisions on the expansion of the scope of General Insurance Business, Life Insurance Business, Sharia General Insurance Business, and Sharia Life Insurance Business as referred to in paragraph (1) and paragraph (2) are set in the Financial Services Authority Regulation.

### CHAPTER III

#### FORMS OF LEGAL ENTITY AND THE OWNERSHIP OF INSURANCE COMPANY

#### Article 6

- (1) The forms of legal entity of the conductor of Insurance Related Business are:
  - a. limited liability company;
  - b. cooperative; or
  - c. mutual company that already exists at the time this Law is promulgated.
- (2) The mutual company as referred to in paragraph (1) letter c is stated as a legal entity by virtue of this Law
- (3) Further provisions on the legal entity in the form of mutual company as referred to in paragraph (2) are set in the Government Regulation.

#### Article 7

- (1) An Insurance Company shall only be owned by:
  - a. Indonesian citizen and/or Indonesian legal entity that directly or indirectly is fully owned by Indonesian citizen; or
  - b. Indonesian citizen and/or Indonesian legal entity as referred to in letter a, together with foreign citizen or foreign legal entity that must be an Insurance Related Company which owns a business of the same type or a holding company whose one of its subsidiaries runs in Insurance Related Business of the same type.
- (2) Foreign citizen as referred to in paragraph (1) letter b may be the owner of a Insurance Related Company only via transactions in the stock exchange.
- (3) Further provisions on the criteria of foreign legal entity and the ownership of foreign legal entity as referred to in paragraph (1) letter b and the ownership by foreign citizen as referred to in paragraph (2) in Insurance Related Company are set in the Government Regulation.

## CHAPTER IV BUSINESS LICENSING

### Article 8

- (1) Every Party conducting Insurance Related Business shall firstly acquire a business license from the Financial Services Authority
- (2) To acquire the business license as referred to in paragraph (1), the requirements listed below must be fulfilled:
  - a. articles of association;
  - b. organization structure;
  - c. paid-up capital;
  - d. Guarantee Fund;
  - e. ownership;
  - f. the feasibility and appropriateness of the shareholders and Controller;
  - g. the fit and proper requirements of the board of directors and board of commissioners, or the equivalent to the board of directors and board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, the sharia supervisory board, company actuary, and internal auditor;
  - h. hired experts;
  - i. feasibility of work plan;
  - j. feasibility of the risk management system;
  - k. products to be marketed;

- l. engagement with affiliated parties, if any, and the policy of transferring part of functions in the business conduct;
  - m. the infrastructure of the preparation and delivery of reports to the Financial Services Authority;
  - n. confirmation from the supervising authority in the original country of the foreign party, in the event of occurrence of direct investment by foreign party; and
  - o. any other things needed to support a sound business growth
- (3) The business license requirements as referred to in paragraph (2) are made applicable in relevance with the type of business that may be conducted.
- (4) Further provisions on the requirements and procedures of business licensing as referred to in paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 9

- (1) The Financial Services Authority shall approve or decline the proposal for the Insurance Company's business license at the latest 30 (thirty) business day since the receipt of the complete proposal.
- (2) In the event that the Financial Services Authority declines the business license proposal as referred to in paragraph (1), the refusal shall be done in writing and completed with relevant reasons.

#### Article 10

- (1) Insurance Related Company shall report every opening of office other than the head office to the Financial Services Authority.
- (2) The office of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company other than its head office which has the authority to make decisions concerning the approval or refusal of an insurance and/or decisions concerning the approval or refusal of a claim shall at any time fulfills the requirements provided by the Financial Services Authority.
- (3) The Insurance Related Company is fully responsible for every office it owns or manages or whose owner or manager is given a permit to use the name of the relevant Insurance Related Company.
- (4) Further provisions on the forms and procedures of the reporting as referred to in paragraph (1) are set in the Financial Services Authority Regulation.

CHAPTER V  
BUSINESS CONDUCT

Article 11

- (1) Insurance Related Company shall apply good corporate governance.
- (2) Further provisions on the corporate governance as referred to in paragraph (1) are set in the Financial Services Authority Regulation

Article 12

- (1) Members of the board of directors, members of the board of commissioners, or the equivalent to members of the board of directors and members of the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, members of the sharia supervisory board, the company actuary, the internal auditor, and the Controller shall at any time fulfill the fit and proper requirements.
- (2) Further provisions on the requirements and procedures of fit and proper test as referred to in paragraph (1) are set in the Financial Services Authority Regulation.

Article 13

- (1) The Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company shall determine at least 1 (one) Controller.
- (2) In the event that there is another Controller that has not been determined yet by the Insurance Company, Sharia Insurance Company, Reinsurance Company, or sharia reinsurance company, the Financial Services Authority is authorized to determine a Controller other than the Controller as referred to in paragraph (1).

- (3) Further provisions on the criteria of the Controller as referred to in paragraph (1) and paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 14

- (1) Every Party determined as a Controller as referred to in Article 13 paragraph (1) shall be reported to the Financial Services Authority.
- (2) Change of the Controller shall be reported to the Financial Services Authority.
- (3) The Party that has been determined to become a Controller cannot quit the function without an approval from the Financial Services Authority.
- (4) Further provisions on the requirements and procedures to acquire an approval to cease as a Controller as referred to in paragraph (3) are set in the Financial Services Authority Regulation.

#### Article 15

The Controller shall be also responsible for the loss of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company caused by the Party under its/his/her control.

#### Article 16

- (1) Every Party shall only become a controlling shareholder in 1 (one) life insurance company, 1 (one) general insurance company, 1 (one) reinsurance company, 1 (one) sharia life insurance company, 1 (one) sharia general insurance company, and 1 (one) sharia reinsurance company.
- (2) The provision as referred to in paragraph (1) is not applicable if the controlling shareholder is the Republic of Indonesia.
- (3) Further provisions on the controlling share holder as referred to in paragraph (1) are set in the Financial Services Authority Regulation.

#### Article 17

- (1) Insurance Related Company shall hire experts in a number that fits for the type and line of the conducted business, in order to ensure the application of a good insurance management.
- (2) The Insurance Company, Sharia Insurance Company, reinsurance company, and sharia reinsurance company shall hire actuaries in a number that fits the type and line of the conducted business, to be independently and be in pursuant to the applicable standard of practice managing the financial impacts of the risk faced by the company.
- (3) Further provisions on type, number, and requirements of experts as referred to in paragraph (1) and actuaries as referred to in paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 18

- (1) The Insurance Related Company can cooperate with another party in order to obtain the business or carry out parts of the functions in its business conduct.
- (2) The Insurance Related Company shall ensure that the other party as referred to in paragraph (1) has a permit to carry out its business from the authorized agency.
- (3) The Insurance Related Company shall have and apply the standards of selection and accountability in the implementation of the cooperation as referred to in paragraph (1).
- (4) Further provisions on the cooperation as referred to in paragraph (1) are set in the Regulation of the Financial Services Authority.

#### Article 19

- (1) The Insurance Company, Sharia Insurance Company, Reinsurance Company, or sharia Reinsurance Company shall comply with the provisions on financial soundness.
- (2) The Insurance Company, Sharia Insurance Company, Reinsurance Company, or sharia reinsurance company shall conduct a regular evaluation towards the adequateness of the Insurance Fund or Tabarru' Fund in fulfilling the claims or other responsibilities incurring from the policies.

- (3) The Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company shall plan and apply risk mitigation methods to maintain its financial soundness.
- (4) Further provisions on the financial soundness as referred to in paragraph (1) and risk mitigation methods as referred to in paragraph (3) are set in the Financial Services Authority Regulation.

## Article 20

- (1) The Insurance Company, Sharia Insurance Company, Reinsurance Company, and sharia Reinsurance Company shall form a Guarantee Fund in the form and amount as stipulated by the Financial Services Authority.
- (2) The amount of the Guarantee Fund as referred to in paragraph (1) shall be adjusted with the development of the business, on the condition that it is not less than the amount required in the beginning of its establishment.
- (3) The Guarantee Fund as referred to in paragraph (1) shall not be warranted for or encumbered with any rights whatever.
- (4) The Guarantee Fund as referred to in paragraph (1) shall only be transferred or disbursed after acquiring an approval from the Financial Services Authority.
- (5) Further provisions on the Guarantee Fund as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) are set in the Financial Services Authority Regulation.

## Article 21

- (1) The asset and liability related to the right of the Policy Holder, the Insured, or the Participant shall be separated from the other asset and liability of the Insurance Company, Sharia Insurance Company, Reinsurance Company, or sharia Reinsurance Company.
- (2) For sharia life insurance companies, the asset and liability of the Participant for the purpose of helping each other in facing the risk shall be separated from the other asset and liability of the Participant for the purpose of investment.
- (3) The Insurance Company, Sharia Insurance Company, Reinsurance Company, or sharia Reinsurance Company shall apply the prudential

principles and matching asset and liability in investing the asset of the Policy Holder, the Insured, or the Participant.

- (4) Further provisions on the separation of asset and liability as referred to in paragraph (1) and paragraph (2), and the investment of the asset of the Policy Holder, the Insured, or the Participant as referred to in paragraph (3), are set in the Financial Services Authority Regulation.

## Article 22

- (1) The Insurance Related Company shall deliver reports, information, data, and/or documents to the Financial Services Authority.
- (2) The report delivery as referred to in paragraph (1) can be done via the electronic data system.
- (3) The Insurance Company, Sharia Insurance Company, Reinsurance Company, or sharia Reinsurance Company shall publish the financial position, financial performance, and financial soundness condition of the company in Indonesian national-scaled daily newspapers and electronic media.
- (4) The Insurance Company, Sharia Insurance Company, Reinsurance Company, or sharia Reinsurance Company shall provide information concerning its financial position, financial performance, and the risk it faces to the stakeholders in a way pursuant to the provisions of the laws and regulations.
- (5) The Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company shall publish its audited financial report at the latest within 1 (one) month after the deadline for such financial report delivery to the Financial Services Authority.
- (6) Further provisions on the report delivery to the Financial Services Authority as referred to in paragraph (1) and the publication as referred to in paragraph (3) are set in the Financial Services Authority Regulation.

## Article 23

- (1) Certain reports and the analysis result of reports as referred to in Article 22 paragraph (1) cannot be disclosed by the Financial Services Authority to another party, except to:
  - a. the police and prosecutors for the purpose of investigation;

- b. judges for the interest of justice;
  - c. tax officials for the interest of taxation;
  - d. Bank of Indonesia for the purpose of the implementation of its duty; or
  - e. other parties based on the provision of laws and regulations.
- (2) Further provisions on the requirements and procedures to acquire certain reports and the analysis results of reports as referred to in paragraph (1) are set in the Financial Services Authority Regulation.

#### Article 24

- (1) The insurance conclusion on Insurance Object shall be based on the principle of freedom of choosing an Insurance Company or Sharia Insurance Company.
- (2) The Insurance Object conclusion as referred to in paragraph (1) shall be conducted by considering the capacity of the domestic Insurance Company, Sharia Insurance Company, Reinsurance Company, and sharia reinsurance insurance.
- (3) Further provisions on the closing of Insurance Object as referred to in paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 25

The Insurance Object in Indonesia can only be insured to an Insurance Company and Sharia Insurance Company which holds license from the Financial Services Authority, except in the events that:

- a. there is no Insurance Company and Sharia Insurance Company in Indonesia, both individually or collectively, that has the ability to retain or manage the insurance risk or sharia insurance risk over the related Insurance Object; or
- b. there is no Insurance Company and Sharia Insurance Company in Indonesia that is willing to perform insurance or sharia insurance conclusion over the related Insurance Object.

#### Article 26

- (1) Insurance Related Company shall fulfill the business operation standards, covering such provisions on:
- a. the policy;

- b. the Premium or Contribution;
  - c. the underwriting and identification of the Policy Holder, the Insured, or the Participant;
  - d. claim settlement;
  - e. expertise in the insurance field;
  - f. product distribution or marketing;
  - g. the handling of the complaint of the Policy Holder, the Insured, or the Participant; and
  - h. any other standards related to the operation of the business.
- (2) Further provisions on the business operation standard as referred to in paragraph (1) are set in the Financial Services Authority Regulation.

#### Article 27

- (1) Insurance Broker, Reinsurance Broker, and Insurance Agent shall be registered in the Financial Services Authority.
- (2) Insurance Broker, Reinsurance Broker, and Insurance Agent shall have adequate knowledge and skill as well as good reputation.
- (3) Further provisions on the requirements and procedures of registration of Insurance Broker, Reinsurance Broker, and Insurance Agent as referred to in paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 28

- (1) The Premium or Contribution can be paid directly by the Policy Holder or Participant to the Insurance Company or Sharia Insurance Company, or paid through the Insurance Agent.
- (2) Insurance Agent can only receive the Premium or Contribution payments from the Policy Holder or Participant after acquiring an approval from the Insurance Company and Sharia Insurance Company.
- (3) The insurance is stated to be effective and binding the Parties since the Premium or Contribution is received by the Insurance Agent.
- (4) Insurance Agent is prohibited to withhold or manage the Premium or Contribution.
- (5) Insurance Agent is prohibited to embezzle the Premium or Contribution.
- (6) In the event that the Premium or Contribution is paid through the Insurance Agent as referred to in paragraph (1) and paragraph (2), the Insurance Agent shall submit the Premium or Contribution to the Insurance Company or Sharia Insurance Company in a period as set in the Financial Services Authority Regulation.

- (7) The Insurance Company or Sharia Insurance Company shall be liable over the claim payment incurring if the Insurance Agent has received the Premium or Contribution but has not yet submit it to the Insurance Company and Sharia Insurance Company.
- (8) The Insurance Company or Sharia Insurance Company shall pay the intermediary service fee to the Insurance Agent immediately after receiving the Premium or Contribution.

#### Article 29

- (1) The Premium or Contribution can be paid directly by the Policy Holder or the Participant to the Insurance Company or Sharia Insurance Company, or paid through an insurance brokerage company.
- (2) The Premium or Contribution can be paid directly by the Insurance Company or Sharia Insurance Company to the reinsurance or sharia reinsurance company, or paid through reinsurance brokerage company.
- (3) The insurance brokerage company and reinsurance brokerage company are prohibited to withhold or manage the Premium or Contribution.
- (4) The insurance brokerage company and reinsurance brokerage company are prohibited to embezzle the Premium or Contribution
- (5) In the event that the Premium or Contribution is paid through an insurance brokerage company as referred to in paragraph (1) or through reinsurance brokerage company as referred to in paragraph (2), the insurance brokerage company or the reinsurance brokerage company shall submit the Premium or Contribution to the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company in a period as set in the Financial Services Authority Regulation.
- (6) In the event that the submission of the Premium or Contribution is conducted by an insurance brokerage company or reinsurance brokerage company after the end of the period as referred to in paragraph (5), the insurance brokerage company or reinsurance brokerage company shall be liable to the claim payment incurring from the loss that occurs after the end of such period.
- (7) The insurance brokerage company and reinsurance brokerage company shall obtain intermediary service fee from the Policy Holder for its intermediary service.

#### Article 30

- (1) Insurance Brokerage Company is prohibited to place the insurance conclusion or sharia insurance conclusion at the Insurance Company or Sharia Insurance Company which constitutes an Affiliation of the related Insurance Broker or insurance brokerage company.
- (2) Reinsurance brokerage company is prohibited to place the reinsurance conclusion or the sharia reinsurance conclusion at the reinsurance company or sharia reinsurance company which constitutes an Affiliation of the related Reinsurance Company or the reinsurance brokerage company
- (3) Insurance brokerage company and reinsurance brokerage company is liable to the actions taken by the Insurance Broker and Reinsurance Broker that provides recommendations to the Policy Holder related to the conclusion of insurance or of reinsurance.

#### Article 31

- (1) Insurance Agent, Insurance Broker, Reinsurance Broker, and Insurance Related Company shall apply his/her/its full expertise, attention, and care in serving or transacting with the Policy Holder, the Insured, or the Participant.
- (2) Insurance Agent, Insurance Broker, Reinsurance Broker, and Insurance Related Company shall provide information that is true, genuine, and/or not misleading to the Policy Holder, the Insured, or Participant regarding the risk, benefit, liability, and cost encumbering related to the insurance or sharia insurance product(s) being offered.
- (3) Insurance Company, Sharia Insurance Company, reinsurance company, sharia reinsurance company, insurance brokerage company, and reinsurance brokerage company shall handle the claim and complaint through a quick, simple, easily accessible, and fair process.
- (4) Insurance Company, Sharia Insurance Company, reinsurance company, and sharia reinsurance company are prohibited to take any actions which can delay the settlement or payment of a claim, or to not taking reasonable actions so that it causes the delay of the settlement or payment of a claim.
- (5) Further provisions on claim and complaint handling through a quick, simple, easily accessible, and fair process as referred to in paragraph (3) are set in the Financial Services Authority Regulation.

#### Article 32

- (1) Insurance Company, Sharia Insurance Company, and insurance brokerage company shall apply anti-money laundering and terrorism funding prevention policies.
- (2) Insurance Company, Sharia Insurance Company, and insurance brokerage company shall acquire adequate information regarding the Policy Holder, the Insured, Participant candidate, or any other party related to the closing of insurance or sharia insurance to be able to apply the anti-money laundering and terrorism funding prevention policies.
- (3) Further provisions on the application of anti-money laundering and terrorism funding prevention policies for Insurance Company, Sharia Insurance Company, and insurance brokerage company as referred to in paragraph (1) and paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 33

Every Person is prohibited to conduct a forgery of documents of Insurance Company, Sharia Insurance reinsurance company, or sharia reinsurance company.

#### Article 34

Members of the board of directors and/or the authorized party signing the policy from the Insurance Company or Sharia Insurance Company who is given a limitation of business operation sanction are prohibited to sign a new policy.

### CHAPTER VI THE GOVERNANCE OF INSURANCE BUSINESS HAVING THE FORM OF COOPERATIVE AND MUTUAL COMPANY

#### Article 35

- (1) The Insurance Company and Sharia Insurance Company having a form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c can only conduct insurance or sharia insurance services for its members.
- (2) Every member of the Insurance Company and Sharia Insurance Company having a form of cooperative or mutual company as referred to

in Article 6 paragraph (1) letter c shall become a Policy Holder of the related company.

- (3) The membership in the Insurance Company and Sharia Insurance Company having a form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c shall expire if:
- a. the member dies;
  - b. the member no longer holds the insurance policy from the related Insurance Company or Sharia Insurance Company for a consecutive six-months period; or
  - c. in accordance with the provisions of the laws and regulations, the membership must expires.
- (4) Members of the Insurance Company and Sharia Insurance Company having a form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c is entitled to all profits and shall be liable to all losses of the business activities in accordance with the provisions of the laws and regulations.
- (5) Further provisions on the financial requirements to become a member as referred to in paragraph (1) and paragraph (2) and the make-use of the profits by the members and the loss imposition among members as referred to in paragraph (4) of the Insurance Company and Sharia Insurance Company having a form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c are set in the Financial Services Authority Regulation.

## CHAPTER VII THE IMPROVEMENT OF THE CAPACITY OF THE DOMESTIC INSURANCE, SHARIA INSURANCE, REINSURANCE, AND SHARIA REINSURANCE

### Article 36

Insurance Company, Sharia Insurance Company, Reinsurance Company, and sharia Reinsurance Company shall optimize the make-use of the capacity of the domestic insurance, sharia insurance, reinsurance, and/or sharia reinsurance.

### Article 37

The Government and/or the Financial Services Authority encourage the improvement of the capacity of the domestic insurance, sharia insurance, reinsurance, and/or sharia reinsurance in order to meet the domestic needs of insurance, sharia insurance, reinsurance, and/or sharia reinsurance.

#### Article 38

The Government may provide fiscal facility to an individual, a household, and/or micro, small, and medium enterprises to promote the make-use of insurance, sharia insurance, reinsurance, and/or sharia reinsurance services in risk management in accordance with the provisions of the laws and regulations.

### CHAPTER VIII COMPULSORY INSURANCE PROGRAM

#### Article 39

- (1) The Compulsory Insurance Program shall be conducted competitively.
- (2) The regulation of the Compulsory Insurance Program as referred to in paragraph (1) shall at least contain:
  - a. the scope of participantship;
  - b. the rights and responsibilities of the Insured or Participant;
  - c. the Premium or Contribution;
  - d. the benefit or compensation;
  - e. the claim and payment procedures of the benefits or compensations;
  - f. the criteria of the conductor;
  - g. the rights and responsibilities of the conductor; and
  - h. disclosure of information.
- (3) The Party that is allowed to conduct the Compulsory Insurance Program as referred to in paragraph (1) shall fulfill the requirements stipulated by the Financial Services Authority.
- (4) The conductor of the Compulsory Insurance Program as referred to in paragraph (3) can offer additional benefits subject to additional Premium or Contribution.

- (5) The conductor of the Compulsory Insurance Program as referred to in paragraph (3) is prohibited to force the Policy Holder to accept such offer of additional benefits as referred to in paragraph (4).

CHAPTER IX  
CHANGE OF OWNERSHIP, ACQUISITION, AND MERGER

Article 40

- (1) Any change of ownership of the Insurance Related Company shall first be approved by the Financial Services Authority.
- (2) In the event that the change of ownership as referred to in paragraph (1) is a change of ownership causing the existence of direct investment by a foreign party in the Insurance Related Company, such foreign party must be an Insurance Related Company which owns a business of the same type or a holding company whose one of its subsidiaries runs in Insurance Related Business of the same type.
- (3) The provision regarding an Insurance Related Company which owns the same business type or ownership of holding company of its subsidiary which runs its business in the same type of Insurance Related Business as referred to in paragraph (2) shall be fulfilled so long as such foreign party owns an investment on the Insurance Related Company.
- (4) The change of ownership of the Insurance Related Company through a transaction in the stock exchange is excluded from the provision as referred to in paragraph (1) provided that such change does not cause a change of control in the related Insurance Company.
- (5) To acquire the approval, the change of ownership of the Insurance Related Company as referred to in paragraph (1) shall fulfill such provisions as:
  - a. that the change of ownership does not reduce the rights of the Policy Holder, the Insured, or Participant, for Insurance Company or Sharia Insurance Company; and
  - b. that the change of ownership does not reduce the rights of the insurer, reinsurer, or operator, for reinsurance company, or sharia reinsurance company.

- (6) Further provisions on the procedures and requirements for the change of ownership of Insurance Related Company as referred to in paragraph (1), paragraph (2), paragraph (3), paragraph (4), and paragraph (5) are set in the Financial Services Authority Regulation.

#### Article 41

- (1) The Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company undergoing an acquisition or merger shall first acquire an approval from the Financial Services Authority.
- (2) The acquisition or merger as referred to in paragraph (1) can only be undergone between an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company having a business of the same type.
- (3) To acquire the approval, the acquisition or merger as referred to in paragraph (1) shall fulfill such provisions as:
  - a. that the acquisition or merger does not prejudice the rights of the Policy Holder, the Insured, or Participant, for an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company; and
  - b. the financial condition of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company resulting from such acquisition or merger shall still fulfill the provision of the financial soundness level.
- (4) Further provisions on acquisition or merger as referred to in paragraph (1), paragraph (1), paragraph (2), and paragraph (3) are set in the Financial Services Authority Regulation.

### CHAPTER X DISSOLUTION, LIQUIDATION, AND INSOLVENCY

#### Article 42

- (1) Insurance Related Company which terminates its business activities shall first report its termination plan to the Financial Services Authority.
- (2) The Insurance Related Company as referred to in paragraph (1) shall first settle all of its obligations.

- (3) In the event that the Insurance Related Company as referred to in paragraph (1) has settled all of its obligations, the Financial Services Authority will revoke the business license of such Insurance Related Company.
- (4) Further provisions on the termination of business activities as referred to in paragraph (1) and the settlement of the obligations of the Insurance Related Company as referred to in paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 43

- (1) Insurance Related Company whose business license is revoked shall terminate its business activities.
- (2) The shareholders, the board of directors, the board of commissioners, or the equivalent to the shareholders, the board of directors, and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article (6) paragraph (1) letter c, and the employees of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company are prohibited to transfer, warrant, encumber, or use the asset, or take any other actions which may reduce the asset or depreciate the value of the asset of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company since the revocation of its business license.

#### Article 44

- (1) At the latest within 30 (thirty) days since its business license is revoked, the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company whose business license is revoked shall arrange a general meeting of the shareholders or the equivalent to the general meeting of the shareholders in a legal entity in the form of cooperative or mutual company as referred to in Article (6) paragraph (1) letter c to resolve the dissolution of company legal entity related and to form a liquidation team.

- (2) If within the period as referred to in paragraph (1) the general meeting of the shareholders or the equivalent to the general meeting of the shareholders in a legal entity in the form of cooperative or mutual company as referred to in Article (6) paragraph (1) letter c cannot be arranged or the general meeting of the shareholders or the equivalent to the general meeting of the shareholders in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c can be arranged but fails to resolve the dissolution of company legal entity and fails to form a liquidation team, the Financial Services Authority shall:
  - a. resolve the dissolution of the company legal entity and form a liquidation team;
  - b. register and inform the dissolution of the company legal entity to the authorized agency, and publish it in the State Gazette of the Republic of Indonesia and in 2 (two) daily newspapers with a wide-scaled circulation;
  - c. order the liquidation team to proceed with the liquidation in accordance with the provisions in this Law; and
  - d. order the liquidation team to report the results of the liquidation proceeding.
- (3) Further provisions on the formation of the liquidation team and the reporting of the result of the liquidation proceeding by the liquidation team as referred to in paragraph (1) and paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 45

- (1) Since the formation of the liquidation team as referred to in Article 44 paragraph (1) and paragraph (2), the responsibilities and management of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company in liquidation are carried out by the liquidation team.
- (2) The liquidation team has the authority to represent the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company in liquidation in all matters related to the settlement of the rights and obligations of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company.
- (3) Further provisions on the liquidation proceeding of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia

reinsurance company as referred to in paragraph (1), paragraph (1) and paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 46

- (1) Since the formation of the liquidation team, the board of directors and the board of commissioners, or the equivalent to the board of directors and the board of commissioners in a legal entity in the form of cooperative and mutual company as referred to in Article 6 paragraph (1) letter c, the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company in liquidation does not have any authority as the board of directors and the board of commissioners, or the equivalent to the board of directors and the board of commissioners in a legal entity in the form of cooperative and mutual company as referred to in Article 6 paragraph (1) letter c, of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company.
- (2) The shareholders, the board of directors, the board of commissioners, or the equivalent to the shareholders, the board of directors, and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article (6) paragraph (1) letter c, and the employees of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company in liquidation shall provide the data, information, and documents needed by the liquidation team.
- (3) The shareholders, the board of directors, the board of commissioners, or the equivalent to the shareholders, the board of directors, and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article (6) paragraph (1) letter c, and the employees of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company in liquidation are prohibited to hamper the liquidation process.

#### Article 47

- (1) Any costs of the liquidation proceeding mentioned in the list of liquidation costs shall be burdened to the assets of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia

reinsurance company in liquidation and be paid in first instance using every result of such liquidation.

- (2) In the event that there is an excess of liquidation result after the payments over all liabilities of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company in liquidation, such excess shall be an entitlement to the shareholders or the equivalent to the shareholders in a legal entity in the form of cooperative or mutual company as referred to in Article (6) paragraph (1) letter c.

#### Article 48

- (1) In the event that there is an excess of liquidation result as referred to Article 47 paragraph (2), any claims incurring within 2 (two) years since the liquidation proceeding is over shall be submitted through the Financial Services Authority to the share holders or the equivalent to the share holders in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c.
- (2) The claims as referred to in paragraph (1) is charged to the excess of the liquidation result which constitutes entitlement to the shareholders or the equivalent to the shareholders in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c.

#### Article 49

- (1) The liquidation team shall act in a fair and objective manner in carrying out its duties.
- (2) In the event of occurrence of a conflict of interest between the interest of the shareholders or the equivalent to the share holders in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c and the interest of the Policy Holder, the Insured, or Participant, the liquidation team shall prioritize the interest of the Policy Holder, the Insured, or Participant.

#### Article 50

- (1) The request on declaration of insolvency towards the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia

reinsurance company based on this Law can only be submitted by the Financial Services Authority.

- (2) The procedures and requirements of the request on declaration of insolvency towards the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company as referred to in paragraph (1) are carried out in pursuant to the provisions of laws and regulations.
- (3) The request on declaration of insolvency towards the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company as referred to in paragraph (1) cannot be proposed in order to execute a court decision.

#### Article 51

- (1) The creditor request the Financial Services Authority to submit the request of declaration of insolvency to the trade court.
- (2) The Financial Services Authority approves or declines the request submitted by the creditor as referred to in paragraph (1) at the latest 30 (thirty) days since the request is received in complete.
- (3) In the event that the Financial Services Authority declines the request submitted by the creditor as referred to in paragraph (2), the refusal shall be done in writing and provided with relevant reasons.
- (4) Further provisions on the procedures and requirements of request submitted by the creditor as referred to in paragraph (1), paragraph (2), and paragraph (3) are set in the Financial Services Authority Regulation.

#### Article 52

- (1) In the event that the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company is declared insolvent or liquidated, the rights of the Policy Holder, the Insured, or Participant on the distribution of asset hold higher position than those of other parties.
- (2) In the event that the Insurance Company or reinsurance company is declared insolvent or liquidated, the Insurance Fund shall be used to fulfill the obligations towards the Policy Holder, the Insured, or other parties having rights on the insurance benefits first.
- (3) In the event that there is an excess of Insurance Fund after the fulfillment of obligations as referred to in paragraph (2), such excess of

Insurance Fund may be used to fulfill the obligations to any third parties other than the Policy Holder, the Insured, or other parties having the rights on the insurance benefits.

- (4) In the event that the Sharia Insurance Company or sharia reinsurance company is declared insolvent or liquidated, the Tabarru' Fund and investment fund of the participants may not be used to pay any obligations other than to the Participants themselves.

## CHAPTER XI THE PROTECTION OF THE POLICY HOLDER, THE INSURED, OR THE PARTICIPANT

### Article 53

- (1) The Insurance Company, Sharia Insurance Company shall become a participant of policy guarantee program.
- (2) The conduct of the policy guarantee program as referred to in paragraph (1) is set by the law.
- (3) At the time the policy guarantee program is put into effect by virtue of the law as referred to paragraph (2), the provisions on the Insurance Fund as referred to in Article 8 paragraph (2) letter d and Article 20 are declared invalid for the Insurance Company and Sharia Insurance Company.
- (4) The law as referred to in paragraph (2) is formed at the latest 3 (three) years after this Law is promulgated.

### Article 54

- (1) Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company shall become a member of a mediation institution having the function of facilitating dispute resolutions between Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company and the Policy Holder, the Insured, the Participant, or other parties having the right on the insurance benefits.
- (2) The mediation institution as referred to in paragraph (1) shall be independent and impartial in nature.
- (3) The mediation institution as referred to in paragraph (1) shall obtain written approval from the Financial Service Authority.
- (4) The mediation agreement is final and binding for the Parties.

- (5) Further provisions on the mediation institution as referred to in paragraph (1), paragraph (2), paragraph (3), and paragraph (4) are set in the Financial Services Authority Regulation.

## CHAPTER XII

### SERVICE PROVIDER PROFESSIONS FOR INSURANCE RELATED COMPANY

#### Article 55

- (1) Service provider professions for an Insurance Related Company consist of:
- a. actuary consultant;
  - b. public accountant;
  - c. appraiser; and
  - d. other professions stipulated by the Financial Services Authority Regulation.
- (2) To be able to provide services for an Insurance Related Company, the service provider professions as referred to in paragraph (1) shall firstly be registered in the Financial Services Authority.
- (3) Further provisions on the requirements and procedures of service provider professions registration as referred to in paragraph (1) and paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 56

- (1) The registration of the service provider professions as referred to in Article 55 paragraph (2) shall be cancelled if the profession license of the related person is revoked by the authorized agency.
- (2) The service provided by the service provider professions as referred to in paragraph (1) rendered prior to the cancellation of the profession registration is stated to be remain in force, unless such service is the cause of cancellation of the registration or of the revocation of the person's profession license.
- (3) In the event that the registration of the service provider professions is canceled as referred to in paragraph (1), the Financial Services Authority may conduct an examination or evaluation over other services given by such service provider professions to the Insurance Related Company in order to determine the applicability of such services.
- (4) In the event that the Financial Services Authority decides that the services given by the service provider professions as referred to in

paragraph (3) is not applicable, the Financial Services Authority may order the Insurance Related Company using such service provider professions to appoint another provider to procure the same service.

### CHAPTER XIII REGULATORY AND SUPERVISORY

#### Article 57

- (1) The regulatory and supervisory of Insurance Business activities are carried out by the Financial Services Authority.
- (2) The minister stipulates the general policy in order to develop the use of insurance and reinsurance to support the national economy.

#### Article 58

The Financial Services Authority shall make effort to create a healthy business competition in the field of Insurance Related Business.

#### Article 59

- (1) The Financial Services Authority may assign certain parties for and on behalf of the Financial Services Authority to implement parts of the regulatory and supervisory functions.
- (2) Further provisions on the procedures of the assignment and implementation parts of the regulatory and supervisory functions by certain parties as referred to in paragraph (1) are set in the Financial Services Authority Regulation.

#### Article 60

- (1) For the purpose of implementation of the regulatory and supervisory functions as referred to in Article 57 paragraph (1), the Financial Service Authority issues laws and regulations in the field of insurance.
- (2) For the purpose of implementation of the regulatory and supervisory functions as referred to in Article 57 paragraph (1), the Financial Service Authority has the authority to:
  - a. approve or decline the granting of Insurance Related Business license;
  - b. revoke the Insurance Related Business license;

- c. approve or decline to give a registration statement for actuary consultant, public accountant, appraiser, or other parties providing services to the Insurance Related Company;
- d. cancel the registration statement for actuary consultant, public accountant, appraiser, or other parties providing services to the Insurance Related Company;
- e. require the Insurance Related Company to submit reports regularly;
- f. conduct examination towards Insurance Related Company and other parties which are being or have been affiliated parties or which are providing or has provided services to the Insurance Company;
- g. determine the Controller of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company;
- h. approve or revoke the approval of a Party to become a Controller of Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company;
- i. require a Party to cease being a Controller of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company;
- j. conduct the fit and proper test towards the board of directors and the board of commissioners, or the equivalent to the board of directors and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, the sharia supervisory board, company actuary, and internal auditor;
- k. deactivate the board of directors, the board of commissioners, or those equivalent to the board of directors and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, and/or the sharia supervisory board, company actuary, and to determine the Statutory Manager;
- l. give a written order to :
  - 1. a certain party to make report concerning certain matters, at the expense of the Insurance Related Company and ensure it is submitted to the Financial Services Authority;
  - 2. the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company to transfer parts of or the entire insurance portfolio to another Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company;

3. the Insurance Related Company to do or to not do certain things in order to meet the provisions of the laws and regulations in the field of insurance;
  4. the Insurance Related Company to improve or refine the internal control system to identify and avoid the utilization of the Insurance Related Company for financial crimes;
  5. the Insurance Company or Sharia Insurance Company to terminate the marketing of certain insurance products; and
  6. the Insurance Related Company to replace a person from a certain function or position, or to appoint a person with a certain qualification to uphold a certain function or position, in the event that such person is not competent, lack of certain qualifications, is not experienced, or in violation of the provisions of the laws and regulations in the field of insurance;
- m. impose sanctions towards the Insurance Related Company, the shareholders, the board of directors and the board of commissioners, or the equivalent to the board of directors and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, the sharia supervisory board, company actuary, and/or internal auditor;
- n. implement other authority under to the laws and regulations.

#### Article 61

- (1) The examination as referred to in Article 60 paragraph (2) letter f is done regularly and/or at any times.
- (2) The Financial Services Authority may assign another party for and on behalf of the Financial Services Authority to conduct the examination as referred to in paragraph (1).
- (3) For the purpose of the examination, members of the board of directors, members of the board of commissioners, or the equivalent to members of the board of directors and members of the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, members of the sharia supervisory board, the company actuary, the internal auditor, other employees, shareholders, Controller, affiliated parties, and parties receiving the assignment of parts of the functions in business conduct for the interest of the Insurance Related Company shall provide details and/or datas, opportunity to check all books, records, documents, and any physical

facilities related to its business activities and other things needed by the examiner.

- (4) For the purpose of the examiner, the parties who were members of the board of directors, members of the board of commissioners, or the equivalent to members of the board of directors and members of the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, members of the sharia supervisory board, the company actuary, the internal auditor, other employees, share holders, Controller, affiliated parties, and parties receiving the assignment of parts of the functions in business conduct for the interest of the Insurance Related Company shall provide details and/or data, opportunity to check all books, records, documents, and any physical facilities related to its business activities and other things needed by the examiner.
- (5) Further provisions on the procedures of examination as referred to in paragraph (1) and the criteria and procedures of the assignment of other parties as referred to in paragraph (2) are set in the Financial Services Authority Regulation.

#### Article 62

- (1) The Financial Services Authority may deactivate the board of directors, the board of commissioners, or the equivalent to the shareholders, board of directors, and board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article (6) paragraph (1) letter c, and/or the sharia supervisory board, and appoint a Statutory Manager to take over the management of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance, in the event:
  - a. the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company is subject to limitation of business activities sanction;
  - b. the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company informs the Financial Services Authority that at its own consideration the company is expected to fail to meet its obligations or that it will cease the payment of its due liabilities;
  - c. at the consideration of the Financial Services Authority, the Insurance Company, Sharia Insurance Company, reinsurance company, or

- sharia reinsurance company is expected to fail to meet its obligations or that it will cease the payment of its due liabilities;
- d. at the discretion of the Financial Services Authority, such Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company conducts a business activity that does not comply with the provisions of laws and regulations in the field of insurance or is considered financially unsound.
  - e. at the consideration of the Financial Services Authority, such Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company is utilized to facilitate and/or conduct financial crimes.
- (2) The Statutory Manager appointed by the Financial Services Authority is assigned with the following duties:
- a. to save the asset and/or the accumulated funds of the participants registered in the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company;
  - b. to control and manage the business activities of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company according to this Law;
  - c. to develop plans if the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company is deemed savable;
  - d. to recommend the Financial Services Authority for revoking the business license of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company if the company is considered unsavable; and
  - e. to report their activities to the Financial Services Authority.
- (3) At the time Statutory Manager begins to take over the management of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company, then:
- a. the board of directors, the board of commissioners, or the equivalent to a board of directors and a board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, and/or the sharia supervisory board is prohibited to take actions as the board of directors, the board of commissioners, or the equivalent to the board of directors and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, and/or the sharia supervisory board; and

- b. the board of directors, the board of commissioners, or the equivalent to a board of directors and a board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, and/or the sharia supervisory board that has been deactivated must assist Statutory Manager in performing the management functions.
- (4) The board of directors, the board of commissioners, or the equivalent to the board of directors and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, and/or the sharia supervisory board that has been deactivated is prohibited from resigning while the management functions are taken over by Statutory Manager.
- (5) The Financial Services Authority may at any time terminate the Statutory Manager.
- (6) Further provisions on the appointment, duties, service period, and termination of a Statutory Manager as referred to in paragraph (1), paragraph (2), and paragraph (5) as well as the rights and obligations of the board of directors, the board of commissioners, or the equivalent to the board of directors and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, and/or the sharia supervisory board that has been deactivated as referred to in paragraph (3) and paragraph (4) are specified in the Regulations of the Financial Services Authority.

### Article 63

- (1) A Statutory Manager in performing their duties must follow the applicable laws and regulations in the insurance field.
- (2) A Statutory Manager must abide any written order from the Financial Services Authority regarding the control and management of business activities of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company.
- (3) A Statutory Manager takes over the control and management of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company starting from the date of their appointment as a Statutory Manager.
- (4) A Statutory Manager has all the authority and functions of the board of directors, the board of commissioners, or the equivalent to the board of

directors and the board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, and/or the sharia supervisory board of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company.

- (5) Aside from the authority specified in paragraph (4), a Statutory Manager also has the authority:
- a. to cancel or terminate agreements made by the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company with a third party, which at the discretion of the Statutory Manager may cause loss to the company and Policy Holders, the Insured, or Participants; and
  - b. to transfer parts of or the entire insurance portfolio of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company, which at the discretion of the Statutory Manager may prevent further loss to Policy Holders, the Insured, or Participants.

#### Article 64

A Statutory Manager is responsible for any loss to the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company and/or a third party if the loss is caused by fraud, dishonesty, or deliberation on its part to not abide the applicable laws and regulations in the field of insurance.

#### Article 65

- (1) The control and management of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company by a Statutory Manager ends when the Financial Services Authority decides:
- a. the control and management of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company by a Statutory Manager is no longer needed; or
  - b. the business license of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company has been revoked.

- (2) A Statutory Manager shall make its responsibility arising from all its decisions and actions in controlling and managing an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company available to the Financial Services Authority.

#### Article 66

- (1) Written order as referred to in Article 60 paragraph (2) letter 1 are given in the event the Financial Services Authority considers an Insurance Company:
- a. performs its business activities in a negligent and improper or financially unsound manner;
  - b. is expected to have an unsound financial state or to fail to meet its obligations;
  - c. violates the applicable laws and regulations in the field of insurance; and/or
  - d. is involved in a financial crime.
- (2) Written order as referred to in paragraph (1) may also be issued to the Controller of the relevant Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company.
- (3) The Insurance Related Company and/or the Controller of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company must abide the written order as referred to in paragraph (1) and paragraph (2).
- (4) Written order as referred to in paragraph (1) and paragraph (2) shall not be used as reasons by any party entering into an agreement with the Insurance Related Company for cancelling or refusing the agreement, avoiding obligations specified in the agreement, or performing any action that may cause loss to the Insurance Related Company.
- (5) The party as referred to in paragraph (4) reserves the right to receive indemnity from the Insurance Related Company in case of suffering loss caused by any written order given to the Insurance Related Company.
- (6) The provision as specified in paragraph (5) shall cease if the relevant party is an affiliated party or associated to the circumstances that causes the issuance of the written order by the Financial Services Authority.

#### Article 67

Other parties appointed or assigned by the Financial Services Authority as referred to in Article 59 paragraph (1) and Article 61 paragraph (2) shall not

utilize or disclose any confidential information to another party, except for performing the functions, duties, and authority based on the decision of the Financial Services Authority or otherwise if required by laws.

CHAPTER XIV  
INSURANCE BUSINESS ASSOCIATION

Article 68

- (1) Every Insurance Related Company must be a member of one of Insurance Related Business association which in accordance with its business type.
- (2) The Insurance Business association as referred to in paragraph (1) must obtain a written approval from the Financial Services Authority.

Article 69

- (1) The Financial Services Authority may assign or delegate a certain authority to the Insurance Related Business association for the purpose of Insurance Related Business regulatory and/or supervisory.
- (2) Further provisions on the assignment or delegation of authority as referred to in paragraph (1) are specified in the Regulation of the Financial Services Authority.

CHAPTER XV  
ADMINISTRATIVE SANCTION

Article 70

The Financial Services Authority has the power to impose administrative sanctions to Every Person committing violations to the provisions in this Law and its implementing regulations.

Article 71

- (1) Every Person violating the provisions as referred to in Article 2 paragraph (1), paragraph (2), and paragraph (3), Article 3 paragraph (1), paragraph (2), and paragraph (3), Article 4 paragraph (1), paragraph (2), and paragraph (3), Article 7 paragraph (1), Article 10 paragraph (1) and paragraph (2), Article 11 paragraph (1), Article 12 paragraph (1), Article

13 paragraph (1), Article 14 paragraph (1), paragraph (2), and paragraph (3), Article 15, Article 16 paragraph (1), Article 17 paragraph (1) and paragraph (2), Article 18 paragraph (2) and paragraph (3), Article 19 paragraph (1), paragraph (2), and paragraph (3), Article 20 paragraph (1), paragraph (2), paragraph (3), and paragraph (4), Article 21 paragraph (1), paragraph (2), and paragraph (3), Article 22 paragraph (1), paragraph (3), paragraph (4), and paragraph (5), Article 26 paragraph (1), Article 27 paragraph (1) and paragraph (2), Article 28 paragraph (2), paragraph (4), paragraph (6), paragraph (7), and paragraph (8), Article 29 paragraph (3), paragraph (5), and paragraph (6), Article 30 paragraph (1) and paragraph (2), Article 31 paragraph (1), paragraph (3), and paragraph (4), Article 32 paragraph (1) and paragraph (2), Article 35 paragraph (1) and paragraph (2), Article 36, Article 39 paragraph (5), Article 40 paragraph (1) and paragraph (3), Article 41 paragraph (1), Article 42 paragraph (1) and paragraph (2), Article 46 paragraph (2) and paragraph (3), Article 53 paragraph (1), Article 54 paragraph (1), Article 55 paragraph (2), Article 68 paragraph (1), and Article 86 shall be subject to administrative sanctions.

- (2) The administrative sanctions as referred to in paragraph (1) are imposed in the form of:
- a. written warning;
  - b. limitation of business activities, on a part or entire business activities;
  - c. prohibition from marketing insurance products or sharia insurance products for a certain business line;
  - d. revocation of business license;
  - e. cancellation of registration statements for Insurance Brokers, Reinsurance Brokers, and Insurance Agents;
  - f. cancellation of registration statements for actuarial consultants, public accountants, appraisers, or other parties providing services to the Insurance Related Company
  - g. cancellation of approvals for mediation institutions or associations;
  - h. administrative fine; and/or
  - i. prohibition from becoming shareholders, Controllers, members of the Board of Directors, members of the Board of Commissioners, or the equivalents to shareholders, Controllers, members of the Board of Directors, members of the Board of Commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, members of the sharia supervisory board, or assuming executive positions under the board of directors, or the equivalent to executive positions under the board of directors in a

legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, in an Insurance Related Company.

- (3) In the event the Financial Services Authority considers the condition of an Insurance Company compromises the interest of Policy Holders, the Insured, or Participants, the Financial Services Authority may impose a sanction by revoking its business license without any other preceding administrative sanction.
- (4) Further provisions on the procedures and guidelines for the imposition of administrative sanctions as referred to in paragraph (1), paragraph (2), and paragraph (3), as well as the amount of administrative fine as referred to in paragraph (2) letter h are specified in the Regulation of the Financial Services Authority.

#### Article 72

- (1) In the event an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company is subject to written warnings or limitation of business activities, the Financial Services Authority may order:
  - a. capital additions;
  - b. changes of the board of directors, the board of commissioners, or the equivalent to a board of directors and a board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, the sharia supervisory board, the company actuary, or the internal auditors;
  - c. the board of directors, the board of commissioners, or the equivalent to a board of directors and a board of commissioners in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, and/or the sharia supervisory board to transfer the control and management of the activities of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company to the Statutory Manager;
  - d. the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company to transfer a part of or the entire of its insurance portfolio to another Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company; and/or
  - e. the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company to perform actions

considered effective to solve the problems or to not perform actions considered detrimental to the condition of the company.

- (2) In cases where the actions as referred to in paragraph (1) cannot solve the problems faced by the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company, the Financial Services Authority may revoke the business license of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company.
- (3) The Financial Services Authority may request the authorized institution to freeze a part or the entire asset of the Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company currently sanctioned with limitation of business activities due to its failure to meet the provisions on solvency level or revocation of its business license.
- (4) The repealment of freezing a part of or the entire of asset as referred to in paragraph (3) shall be performed upon the approval of the Financial Services Authority.
- (5) Further provisions on the procedures and guidelines for the freezing of asset as referred to in paragraph (3) and the lifting of the freeze as referred to in paragraph (4) are specified in the Regulation of the Financial Services Authority.

## CHAPTER XVI CRIMINAL PROVISION

### Article 73

- (1) Every Person who runs an insurance business, sharia insurance business, reinsurance business, or sharia reinsurance business without a business license as referred to in Article 8 paragraph (1) shall be subject to criminal sanction of imprisonment for a maximum period of 15 (fifteen) years and criminal fine of maximum Rp200,000,000,000 (two hundred billion rupiahs).
- (2) Every Person who runs an Insurance Brokerage business or a Reinsurance Brokerage Business without a business license as referred to in Article 8 paragraph (1) shall be subject to criminal sanction of imprisonment for a maximum period of 10 (ten) years and criminal fine of maximum Rp3,000,000,000 (three billion rupiahs).

- (3) Every Person who runs an Insurance Loss Adjuster Business without a business permit as referred to in Article 8 paragraph (1) shall be subject to criminal sanction of imprisonment for a maximum period of 3 (three) years and criminal fine of maximum Rp1,000,000,000 (one billion rupiahs).

#### Article 74

- (1) Any member of the board of directors, of the board of commissioners, or the equivalent to a member of the board of directors or the board of commissioners, in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, or any member of the sharia supervisory board, company actuary, internal auditor, Controller, or other employee of an Insurance Related Company who deliberately provides report, information, data, and/or document that are incorrect, fake, and/or misleading to the Financial Services Authority as specified in Article 22 paragraph (1) shall be subject to criminal sanction of imprisonment for a maximum period of 5 (five) years and criminal fine of maximum Rp10.000.000.000 (ten billion rupiahs).
- (2) Any member of the board of directors, of the board of commissioners, or the equivalent to a member of the board of directors or the board of commissioners, in a legal entity in the form of cooperative or mutual company as referred to in Article 6 paragraph (1) letter c, or any member of the sharia supervisory board, company actuary, internal auditor, Controller, or other employee of an Insurance Related Company who deliberately provides report, information, data, and/or document that are incorrect, fake, and/or misleading to a concerned party as specified in Article 22 paragraph (4) and Article 46 paragraph (2) ) shall be subject to criminal sanction of imprisonment for a maximum period of 5 (five) years and criminal fine of maximum Rp20.000.000.000 (twenty billion rupiahs).

#### Article 75

Every Person who deliberately fails to provide information or who deliberately provides incorrect, fake, and/or misleading information to Policy Holders, the Insured, or Participants as referred to in Article 31 paragraph (2) shall be subject to criminal sanction of imprisonment for a maximum period of 5 (five) years and criminal fine of maximum Rp5.000.000.000 (five billion rupiahs).

#### Article 76

Every Person who embezzles Premiums or Contributions as referred to in Article 28 paragraph (5) and Article 29 paragraph (4) shall be subject to criminal sanction of imprisonment for a maximum period of 5 (five) years and criminal fine of maximum Rp5,000,000,000 (five billion rupiahs).

#### Article 77

Every Person who embezzles by transferring, mortgaging, collateralizing, or utilize the asset, or performing any other action that may reduce asset or lower the value of asset of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company as referred to in Article 43 paragraph (2) without the proper right and power shall be subject to criminal sanction of imprisonment for a maximum period of 8 (eight) years and criminal fine of maximum Rp50,000,000,000 (fifty billion rupiahs).

#### Article 78

Every Person who forges documents of an Insurance Company, Sharia Insurance Company, reinsurance company, or sharia reinsurance company as referred to in Article 33 shall be subject to criminal sanction of imprisonment for a maximum period of 6 (six) years and criminal fine of maximum Rp5.000.000.000 (five billion rupiahs).

#### Article 79

Any member of the board of directors and/or any party that signs a new policy from an Insurance Company or Sharia Insurance Company that is currently being sanctioned with limitation of business activities as referred to in Article 34 shall be subject to criminal sanction of imprisonment for a maximum period of 5 (five) years and criminal fine of maximum Rp 15.000.000.000 (fifteen billion rupiahs).

## Article 80

Every Person, who is appointed or assigned by the Financial Services Authority, who later uses or discloses any confidential information to another party, except for the purpose of performing the relevant functions, duties, and authority based on the decision of the Financial Services Authority or otherwise if required by law as referred to in Article 67, shall be subject to criminal sanction of imprisonment for a maximum period of 5 (five) years and criminal fine of maximum Rp20.000.000.000 (twenty billion rupiahs).

## Article 81

- (1) In the event the criminal acts as referred to in Article 73, Article 75, Article 76, Article 77, Article 78, or Article 80 are carried by a corporation, the sentence shall be imposed to the corporation, the Controllers, and/or the managers acting for and on behalf of the corporation.
- (2) A criminal sanction shall be imposed to a corporation if the criminal act:
  - a. is performed or instructed by the Controllers and/or the managers acting for and on behalf of the corporation;
  - b. is performed in order to meet the objects and purposes of the corporation;
  - c. is performed according to the duties and functions of the perpetrator or the instructor; and
  - d. is performed with the objective of giving an advantage to the corporation.

## Article 82

A criminal sanction imposed to a corporation shall be a criminal fine of maximum Rp 600.000.000.000 (six hundred billion rupiahs).

## CHAPTER XVII TRANSITIONAL PROVISIONS

## Article 83

- (1) Insurance Related Companies that have obtained a prior business license at the time of the enactment of this Law are declared to have a business license under this Law.
- (2) Insurance agent companies that have obtained a business license at the time of the enactment of this Law may continue operating their business.
- (3) License or approvals given to Insurance Related Companies in relation to institutional matters and the conduct of Insurance Business at the time of the enactment of this Law are declared to remain effective under this Law.

#### Article 84

- (1) Actuarial consulting companies that have obtained a business license at the time of the enactment of this Law may continue operating their business.
- (2) With the enactment of this Law, the licensing, development, and supervisory of actuarial consulting companies shall be performed by the Minister.

#### Article 85

- (1) At the time of the enactment of this Law, every Party who is a controlling shareholder in more than 1 (one) life insurance company, 1 (one) general insurance company, 1 (one) reinsurance company, 1 (one) sharia life insurance company, 1 (one) sharia general insurance company, and 1 (one) sharia reinsurance company must adjust to the provisions of Article 16 paragraph (1) no later than 3 (three) years since the enactment of this Law.
- (2) Further provisions on the procedures of adjustment of controlling shareholders as referred to in paragraph (1) and sanctions for any Party who fails to perform adjustment of controlling shareholder are specified in the Regulations of the Financial Services Authority.

#### Article 86

Mutual company as referred to in Article 6 paragraph (1) letter c must adjust to the provisions in this Law and its implementing regulations no later than 3 (three) years since the enactment of this Law.

#### Article 87

- (1) In the event an Insurance Company or reinsurance company possesses a sharia unit with the value of Tabarru' Fund and participant's investment fund reaching at least 50% (fifty percent) of the total value of Insurance Fund, Tabarru' Fund, and participant's investment fund in its holding company or in the event after 10 (ten) years since the enactment of this Law, the Insurance Company or reinsurance company must spin off its sharia units into a Sharia Insurance Company or a sharia reinsurance company.
- (2) Further provisions on the spin off of a sharia unit and the sanctions for an Insurance Company or reinsurance company that fails to spin off its sharia unit as referred to in paragraph (1) are specified in the Regulation of the Financial Services Authority.

#### Article 88

- (1) Insurance Companies that have not complied with the provisions in Article 7 paragraph (1) letter a must adjust to the provisions by transferring their share ownership to Indonesian citizens or by changing the ownership through an initial public offering mechanism no later than 5 (five) years since the enactment of this Law.
- (2) Further provisions on the guidelines on adjustment of ownership as referred to in paragraph (1) and the sanctions for Insurance Companies that fail to adjust their ownership are specified in the Regulations of the Financial Services Authority.

### CHAPTER XVIII CONCLUDING PROVISIONS

#### Article 89

Provisions in the applicable laws and regulations that regulate the insurance or sharia insurance conclusion by the entire or a certain part of a community must be adjusted to the provisions in this Law.

## Article 90

On the day this Law comes into force:

- a. Law Number 2 of 1992 on Insurance Related Business (State Gazette of the Republic of Indonesia Year 1992 Number 13, Supplement to State Gazette of the Republic of Indonesia Number 3467) is revoked and declared no longer applicable;
- b. provisions on the request for a bankruptcy declaration submitted by the Minister of Finance as specified in Article 2 paragraph (5) of Law Number 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligations (State Gazette of the Republic of Indonesia Year 2004 Number 131, Supplement to State Gazette of the Republic of Indonesia Number 4443) are declared null and void for Insurance Companies and reinsurance companies; and
- c. all the laws and regulations that constitute implementing regulation of Law Number 2 of 1992 on Insurance Business (State Gazette of the Republic of Indonesia Year 1992 Number 13, Supplement to State Gazette of the Republic of Indonesia Number 3467) shall continue to prevail as long as not in conflict with the provisions in this Law.

## Article 91

The implementing regulations of this Law must be issued no later than 2 (two) years and 6 (six) months since the enactment of this Law.

## Article 92

This Law shall come into force one the date of its enactment.

In order to cause this law to be known to the general public, it is hereby ordered that this law be promulgated in the State Gazette of the Republic of Indonesia.