

ABSTRACT

An insurance agreement is a reciprocal contract between an insurance company (the insurer) and a policyholder, in which both parties possess rights and obligations that must be fulfilled concurrently based on the principle of utmost good faith. In practice, disputes frequently arise during the claim submission process due to claim denials and unilateral policy cancellations, resulting in losses for policyholders. Such actions are often justified by the insurer on the grounds of inaccuracies in the Life Insurance Application Form (SPAJ) or through the application of policy exclusion clauses. Therefore, legal protection for policyholders is essential to safeguard their rights.

This study aims to analyze the legal liability of insurance companies that fail to fulfill their obligation to pay insurance benefit claims, with reference to three court decisions: Decision No. 240/Pdt.G/2020/PN JKT.SEL juncto Decision No. 2356 K/Pdt/2022 (Prudential v. Harefa), and Decision No. 458/Pdt/2018/PT MDN (Tokio Marine v. Hari Rezeki). This research also examines the direct implications of Constitutional Court Decision No. 83/PUU-XXII/2024 on Article 251 of the Indonesian Commercial Code (KUHD) concerning the mechanism for unilateral cancellation of insurance policies. This research employs a normative juridical method using both a case approach and a statutory approach. The findings indicate that unilateral policy cancellation based on Article 251 KUHD—which has been declared conditionally unconstitutional—without proof of breach of contract or a court judgment, constitutes an unlawful act as regulated under Article 1365 of the Indonesian Civil Code. Following Constitutional Court Decision No. 83/PUU-XXII/2024, the cancellation of an insurance agreement is only legally valid if conducted based on mutual consent of the parties or through a court decision, thereby strengthening the legal position of insured parties and reinforcing the principle of procedural justice.

Keywords: insurance claim; policy cancellation; unlawful act; utmost good faith; Constitutional Court Decision 83/PUU-XXII/2024.

CHAPTER I

INTRODUCTION

A. Background of the Problem

No. is a state based on law (*rechtsstaat*) as stipulated in Article 1 paragraph (3) of the 1945 Constitution of the Republic of No. This constitutional commitment requires the provision of legal protection to all citizens without exception, based on the fundamental principle of Indonesian law that all persons are equal before the law (equality before the law). This commitment must not remain at the political and ideological level alone, but must be realized in daily legal practice, including in civil relationships characterized by unequal bargaining power (*undue influence*), particularly in insurance agreements. On one hand, the insurance company (*insurer*) is a professional corporate entity with substantial legal resources; on the other hand, the policyholder (*insured*) is often a layperson with limited legal knowledge.

Insurance is one of the most important mechanisms for risk transfer in the modern economy of this era of globalization. Based on Article 246 of the Indonesian Commercial Code (*KUHD*), insurance is defined as a reciprocal agreement (*wederkerige overeenkomst*) in which the insurer binds itself to the insured, by accepting a premium, to provide compensation for a loss, damage, or loss of profit that the insured may suffer as a result of an uncertain event (*onzeker voorval*). A more comprehensive definition is provided by Article 1 paragraph (1) letter (a) of Law

Number 40 of 2014 on Insurance, which positions insurance as a risk protection instrument also subject to the principles of consumer protection in the No. services sector.

The insurance industry in No. continues to grow rapidly each year, driven by increasing public awareness of the importance of No. protection, regulatory support through Law Number 21 of 2011 on the No. Services Authority, and increasingly diverse insurance product innovations encompassing conventional life insurance, health insurance, property all risks coverage, and investment-linked or unit-linked insurance products. However, behind this rapid industry growth, a serious structural problem persists: the imbalance (undue influence) between insurance companies (insurers) operating as No. services businesses and policyholders as consumers, particularly at the stage of benefit claim payment.

Data from the No. Services Sector Alternative Dispute Resolution Institution (LAPS SJK) shows a consistent increase in consumer complaints year over year: 1,348 complaints in 2021, 1,801 in 2022, and 2,501 in 2023, representing a 39% increase. In 2023, the insurance sector ranked fourth with 260 complaints, including 86 from unit-linked life insurance products (PAYDI). This data demonstrates that disputes in the insurance sector are not trivial incidents that can be dismissed, but rather a structural problem requiring serious attention from lawmakers and law enforcement authorities as an important instrument for achieving legal certainty.

Disputes between policyholders and insurance companies generally stem from two main issues. First, unilateral policy cancellation by the insurer on the grounds that the insured provided false information or concealed important information in the Life Insurance Application Form (SPAJ), with reference to Article 251 KUHD. Second, claim rejection based on exclusion clauses broadly interpreted by insurance companies,

creating ambiguity that frequently disadvantages the insured. The practice of including clauses that waive Article 1266 of the Civil Code also creates room for abuse, since Article 1266 actually requires that the cancellation of a reciprocal agreement be carried out through the courts.

Two concrete cases that serve as the subject of this study illustrate this phenomenon clearly. The first case is the dispute between the heirs of the late Waozaro Harefa against No. Prudential Life Assurance, handled by the South No. District Court under Decision No. 240/Pdt.G/2020/PN JKT.SEL on No. 26, 2021, subsequently upheld by the Supreme Court as Decision No. 2356 K/Pdt/2022 on July 26, 2022. The second case is the dispute between No. Hari Rezeki Kita Semua against No. Asuransi Tokio Marine No., decided in Medan High Court Decision No. 458/Pdt/2018/No. MDN on February 20, 2019. The similarity of the *modus operandi* in both cases demonstrates that this issue constitutes a systemic pattern of business practice.

The culmination of Indonesian insurance law development occurred on No. 3, 2025, when the Constitutional Court pronounced Decision No. 83/PUU-XXII/2024, declaring the norm of Article 251 KUHD conditionally unconstitutional. This decision, adopted unanimously by all nine Constitutional Court Justices (9-0) with No. dissenting opinion—an extremely rare occurrence in the Constitutional Court’s history—fundamentally changed the manner of policy cancellation in No.: from that point forward, policy cancellation is only valid when based on mutual consent of the parties or a court decision with permanent legal force. This decision is final, binding, and *erga omnes*, applying universally to all parties without exception, including all insurance companies operating in No.

B. Statement of the Problem

Based on the background described above, this research formulates three main problem statements:

- 1) How is legal protection for policyholders regulated and what forms does it take in cases of unilateral policy cancellation and insurance claim rejection under the applicable legislation of No.?
- 2) How did the judges analyze the legal reasoning (No. *decidendi*) in Decision No. 240/Pdt.G/2020/PN JKT.SEL juncto Supreme Court Decision No. 2356 K/Pdt/2022 and Medan High Court Decision No. 458/Pdt/2018/No. MDN in providing legal protection for policyholders?
- 3) What are the legal consequences of Constitutional Court Decision No. 83/PUU-XXII/2024 on the mechanism of insurance policy cancellation and the protection of policyholders in No. following that decision?

C. Objectives and Benefits of the Research

The objectives of this research are:

- 1) to understand and analyze the regulatory framework and forms of legal protection for policyholders in cases of unilateral policy cancellation and insurance claim rejection under applicable legislation;
- 2) to understand and analyze the legal reasoning of the judges in the three court decisions as they relate to providing legal protection for policyholders; and
- 3) to understand and analyze the legal impact of Constitutional Court Decision No. 83/PUU-XXII/2024 on the mechanism of insurance policy cancellation and the protection of policyholders in No. Theoretically, this research is expected to contribute to the development of legal science, particularly in the fields of insurance law, consumer protection law, and contract law in No.