

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.