

Legal responsibility of PT Axa Financial Indonesia towards the insured for rejection of payment of life insurance claims (Study of Decision Number 269/Pdt.G/2023/PN Jkt.Sel)

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Abstract

Insurance is often chosen by people to transfer risks that may be incurred as a result of an event that may occur, so many choose to insure their risks with an insurance company. However, as insurance agreements come into effect, conflicts often arise between the insured and the insurer, especially when claiming insurance. As in decision No. 269/Pdt.G/2023/PN JKT.SEL, the insurance company refused to pay the insurance benefits to the policyholder on the grounds that the insured did not act in good faith when filling out the SPAJ. The purpose of this study is to determine and examine the suitability of the judge's considerations with the applicable regulations and to determine the legal responsibility of insurance companies for rejecting life insurance claims in decision 269/Pdt.G/2023/PN JKT.SEL. The method used is normative research with two approaches, namely the legislative and conceptual approaches. The results of the research on the research questions, namely, first, the appropriateness of the judge's legal considerations, namely the judge's considerations in the decision focused on two things, first, the existence of a legal relationship between the plaintiff and the defendant in accordance with Article 1320 of the Civil Code, namely the existence of an agreement between the parties is a requirement for a valid agreement and is supported by several pieces of evidence P-1, P-2 Jo Evidence T-2 in the form of an SPAJ in the name of Yawasadodo Sihura dated February 25, 2021, issued by PT AXA Finansial Indonesia (AFI) and policy number: 570 -5148491 issued by PT AXA Finansial Indonesia, which is in accordance with Article 255 of the Commercial Code, which states that an insurance agreement must be made in writing with a deed called a policy containing the rights and obligations of the insured and the insurer. Second, PT AXA Finansial Indonesia's legal responsibility to the insured is to pay compensation for damages resulting from default as stated in Article 1243 of the Civil Code, which states that "Reimbursement of costs, losses and interest due to non-fulfillment of an agreement shall be required, if the debtor, despite having been declared in default, remains in default of the obligation, or if something that must be given or done can only be given or done within a period exceeding the period that has been determined.

Keywords: Corporate responsibility, claim fulfillment, life insurance

Introduction

A common method of transferring risk to another party is by providing compensation for the transfer of risk. This can be done by transferring the risk to an insurance company. Insurance companies that accept the transfer of risk receive compensation in the form of premium payments from the person whose risk is being transferred. Insurance companies offer a wide variety of insurance products. Such as life insurance, property insurance, health insurance, education insurance, etc. If someone insures their life, it means that they transfer the risk that may occur in the future to the insurance company by paying a certain amount of money regularly, called a premium. Then, someone who insures their life will receive compensation if something that is insured occurs. Thus, between the insurance company and the person who transfers the risk, an insurance agreement is made that regulates the rights and obligations of the parties. Each party has obligations and rights that must be fulfilled. This agreement is outlined in the policy.

Insurance is an agreement that binds the parties to perform obligations and the other party to perform benefits. The agreed insurance agreement forms the basis of the rights and obligations of the insured and the insurer, namely the obligation to pay premiums by the insured and the obligation to pay claims by the insurer if an event occurs in the insurance agreement. All agreements must generally be implemented in good faith, and both parties to the

agreement must comply with the contents of the agreement that has been made. Just like other agreements, insurance agreements are binding on the parties, so that the contents of the agreement, including rights and responsibilities, must be fulfilled. The right to obtain a claim does not always run smoothly, as there are often cases of insurance claims being rejected by the insurer. There are many reasons why life insurance claims can be rejected, including the insured's lack of understanding in filling out the SPAJ in good faith. This often backfires on the insured, as the insured's ignorance in act in good faith by informing the insurer of all the true circumstances regarding the insured's health is often not communicated by the insurance company. As a result, when a claim payment is submitted, the insurance company often blocks the insured by using Article 251 of the Commercial Code to refuse payment of the policy on the grounds that the insured did not act in good faith in informing the insurer of the true circumstances.

The rejection of life insurance claims also occurred in decision number 269/PDT.G/2023/PN JKT.SEL by PT AXA Financial Indonesia against the insured and their heirs stemmed from an insurance agreement issued on February 26, 2021. On May 8, 2021, the insured passed away, due to the insured's death, the beneficiaries filed an insurance claim to receive the basic insurance benefit of IDR 728,000,000 (seven hundred twenty-eight million rupiah) on June 18, 2021, however the insurer refused to pay the claim by

sending a letter on January 21, 2022, which essentially stated that it was unwilling to fulfill its obligation to pay the claim for the death of the insured on the grounds that the insured did not act in good faith in filling out the Life Insurance Application Form (SPAJ) in accordance with his actual health condition. On December 12, 2022, the insurer rejected the claim for the second time for the same reason. The policyholder, through their legal representative, sent a first formal notice dated January 17, 2023, and a second formal notice on February 16, 2023, and a third formal notice on March 13, 2023. The policyholder, through their legal representative, sent the first demand letter dated January 17, 2023, and the second demand letter on February 16, 2023. On March 13, 2023, the policyholder sued the insurer in the South Jakarta District Court for breach of contract and sought an order requiring the insurer to pay the insurance benefits. The panel of judges in its decision ruled that PT AXA Financial Indonesia as the insurer was found guilty of breach of contract and was required to pay insurance benefits amounting to IDR 728,000,000. Based on the above description, the author is interested in examining "The Legal Responsibility of PT Axa Financial Indonesia to the Insured for the Rejection of Life Insurance Claims (Decision Number 269/Pdt.G/2023/Pn Jkt.Sel)".

Material and Methods

The research method used was normative research with two approaches, namely the legislative and conceptual approaches. The legal sources used in this study included primary and secondary legal materials. The data collection method used was a literature study with deductive analysis of legal materials.

Results and Discussion

Consistency of Judges' Legal Considerations in Decisions with Applicable Laws and Regulations

The judge's considerations are a fundamental aspect of every court decision. Judges do not merely apply the law mechanically, but also interpret and balance legal certainty, justice, and benefit. From the perspective of positive legal studies, the judge's considerations must be based on the norms written in the legislation. Judges are bound by the principle of legality, so every decision must have a clear legal basis, both in substantive law and procedural law. The judge's consideration that the researcher will analyze is decision No. 269/Pdt.G/2023/PN JKT.SEL, which focuses on compliance with the Insurance Law and Constitutional Court Decision No. 83 of 2024 concerning the Petition for Judicial Review of Article 251 of the Commercial Code.

The judge's consideration in this decision ruled that PT AXA Financial Indonesia was proven to have committed a breach of contract, as evidenced by the fact that the plaintiff was the policyholder and beneficiary of the SPAJ issued by PT AXA Financial Indonesia, which explains the legal relationship between the Plaintiff and the Defendant bound by an Insurance Agreement. The judge also ruled that the defendant had fulfilled the criteria for breach of contract, namely by failing to fulfill its obligations and that there was evidence of a warning or summons to the defendant. Therefore, in the opinion of the Panel of Judges, the defendant was proven to have committed a breach of contract against the plaintiff, therefore, the Defendant may be ordered to pay damages and is obligated to pay the insurance benefit amounting to IDR 728,000,000. The

judge's considerations in this decision focused on two points. First, whether there was a legal relationship between the parties, namely the plaintiff and the defendant, as alleged by the plaintiff. Second, whether there was a breach of contract in the performance of obligations under policy number 570-5148xxx.

The judge's first consideration regarding the clear legal relationship between the Plaintiff, YS, and the Defendant, PT AXA Financial Indonesia, was based on evidence P-1, P-2 Jo Evidence T-2 in the form of a Life Insurance Application Form (SPAJ) in the name of YS dated February 25, 2021, issued by PT. Axa Financial Indonesia (AFI) and Identity Card (KTP) NIKxxxxxxxxxxxx0002 in the name of YS, proving that the Plaintiff filled out the SPAJ Form with YS as the Policyholder and Beneficiary and RZ as the insured and evidence in the form of AXA Financial Indonesia Policy No. 570-5148xxx in the name of YS. In accordance with the Law governing insurance, an insurance agreement begins with the prospective insured filling in the data on the SPAJ by applying the principle of good faith, which is in accordance with Article 251 of the Commercial Code, followed by the fulfillment of the terms of the agreement, which also include the terms of a life insurance agreement in Article 1320 of the Civil Code, namely the agreement of the parties, the capacity of the parties, a specific subject matter, and a lawful cause. Then, with the fulfillment of the valid requirements of the agreement, which includes the element of agreement between the parties, this insurance agreement becomes effective and binding on the parties even though the policy has not yet been issued. This is in accordance with Article 257 paragraph (1) of the Commercial Code. Furthermore, the policy is written evidence of the insurance agreement as stated in Article 255 of the Commercial Code, which states that the insurance agreement must be made in writing with a deed called a policy containing the rights and obligations of the insured and the insurer. Based on the description of the evidence, it is in accordance with the applicable laws and regulations, therefore the judge's consideration regarding the existence of a legal relationship between the insured and the insurer is in accordance with the applicable regulations.

The judge's second consideration concerns breach of contract (wanprestasi). According to J. Satrio, breach of contract is a situation where the debtor does not fulfill his promise as he should, and he can be held responsible for this negligence. This formulation is in line with Article 1238 of the Civil Code, which states that breach of contract is a condition where the debtor is declared in default through a warrant, similar deed, or because the nature of the agreement itself determines that the debtor is considered in default after a specified time. Thus, default is not only related to the non-fulfillment of obligations, but also includes delays or the performance of obligations that are not in accordance with what was agreed upon. Furthermore, Subekti explained that the forms of default can be: (1) not performing the obligation at all, (2) performing the obligation but not on time, (3) performing the obligation but not in accordance with what was agreed upon, and (4) doing something that is prohibited by the agreement. To determine whether someone has actually committed breach of contract, it must be ensured that there is a valid agreement as the basis for the legal relationship, and that a warning (summons) has been issued to the debtor to fulfill their obligations. This summons is important because it serves to

give the debtor the opportunity to fulfill their obligations before the case is brought to court. Therefore, when examining evidence P-1, P-2 Jo Evidence T-2 in the form of SPAJ in the name of YS dated February 25, 2021, issued by PT AXA Finansial Indonesia (AFI) and Identity Cards and other evidence, there is clearly a clear legal relationship between the Plaintiff and the Defendant in the life insurance agreement. This proves that the Insured and the Insurer are bound by a legal relationship that gives rise to rights and obligations in the insurance agreement. The parties are obliged to fulfill their responsibilities as agreed. PT AXA Finansial Indonesia, as the insurer, is obliged to compensate for the death of the insured by paying the insurance benefits however, the insurer rejected and unilaterally canceled the claim through a letter sent to the insured. This constitutes a breach of contract, known as default. Furthermore, in accordance with the provisions of Article 1238 of the Civil Code, before suing the debtor for default, the prospective defendant must first be given a warning to be given the opportunity to fulfill the contract, commonly known as a summons. The policyholder has also warned the insured by issuing two summonses.

After analyzing the appropriateness of the judge's considerations regarding the legal relationship and breach of contract above, the author would like to elaborate on the appropriateness of the judge's considerations and the implications of the application of Constitutional Court Decision No. 83 of 2024 regarding the judicial review of Article 251 of the Commercial Code. The decision states that Article 251 of the Commercial Code is contrary to the 1945 Constitution of the Republic of Indonesia and has no binding legal force, unless it is interpreted that the cancellation of an insurance agreement must be done through an agreement between the insurer and the insured or based on a court decision. Thus, following this ruling, unilateral cancellation of a policy by one party is no longer permitted, but must be done through mutual agreement between both parties or decided by a court. Therefore, the process of adjudicating this case has applied the results of Constitutional Court Decision No. 83 of 2024.

Legal Liability of PT Axa Financial to the Insured for Rejection of Life Insurance Claims

Provisions regarding insurance are regulated in the Commercial Code and the Insurance Law, which constitute an insurance agreement between the insurer and the insured, each of whom has rights and obligations. The insurer is entitled to receive insurance payments and is obligated to provide compensation if the insured risk occurs. Meanwhile, the insured is entitled to receive compensation for losses suffered as a result of the occurrence of the insured risk and is obliged to pay a certain amount of money called a premium. As explained in Article 1 of the Insurance Law, the insurer is entitled to receive premiums and is obliged to provide compensation to the insured or policyholder for losses, damages, costs incurred, and loss of profits. The basis for filing a civil liability lawsuit requires the existence of a legal relationship, whether arising from an agreement or for reasons outside of an agreement. According to Hans Kelsen in his theory of legal responsibility, "A person is legally responsible for a particular act or bears legal responsibility, meaning that he is responsible for a sanction in the event of a violation." The liability resulting from the rejection of life insurance claims by PT AXA Financial

Indonesia can be applied to the theory of absolute legal liability, which does not require prior proof of fault on the part of the insurance company. The application of this absolute liability lies in risk liability, whereby the party that causes the loss is obliged to compensate for it. Due to the default committed by the insurer, it is obliged to compensate the insured in accordance with Article 1246 of the Civil Code for the losses suffered by the insured, namely by paying the insurance benefits that should have been received by the policyholder in the amount of IDR 728,000,000 (seven hundred twenty-eight million rupiah).

Conclusion

The judge's legal considerations in the decision are in accordance with applicable laws and regulations. The existence of a clear legal relationship between the Plaintiff, YS, and the Defendant, PT AXA Financial Indonesia, is based on the SPAJ with the Policyholder and Beneficiary, YS and Ritiba Zagoto, as the insured, and the AXA Financial Indonesia Policy data No. 570-5148xxx in the name of YS proves that the Policy was issued by the Defendant. The fulfillment of the terms of the life insurance agreement in Article 1320 of the Civil Code gives rise to legal consequences that bind the parties to fulfill their respective responsibilities. Therefore, the failure of PT AXA Financial Indonesia to fulfill its obligations to the insured constitutes a breach of contract. Due to the default committed by the Insurer, it is obliged to compensate the Insured in accordance with Article 1246 of the Civil Code for the losses suffered by the Insured, namely by paying the sum assured that should have been received by the policyholder in the amount of IDR 728,000,000 (seven hundred twenty-eight million rupiah).

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