

# THE REPORTING OF INSURANCE PRODUCTS BY INSURANCE COMPANIES

(Circular of the Financial Service Authority  
No. 13/SEOJK.05/2016 dated April 22, 2016)

To

1. The Boards of Directors of General Insurance Companies; and
2. The Boards of Directors of Life Insurance Companies.

In regard to the mandate of Article 44 of Regulation of the Financial Service Authority No. 23/POJK.05/2015 concerning Insurance Products and Marketing of Insurance Products (Statute Book of the Republic of Indonesia of 2015 No. 287, Supplement to Statute Book of the Republic of Indonesia No. 5770), it is necessary to further regulate the procedure, model and format of reporting insurance products in Circular of the Financial Service Authority as follows:

## I. GENERAL PROVISIONS

Referred to in this Circular of the Financial Service Authority as :

### 1. Insurance products are:

- a. a program which promises protection against 1 (one) type of insurable risk or more arising from an uncertain event by compensating the policy holder, the insured, or the participant because of loss, damage, arising cost, lost profit, or legal responsibility to the third party, which may be suffered by the policy holder, the insured or the participant, or the provision of guarantee to meet the obligation of the insured party to other party if the insured party cannot meet his/her obligation;
- b. a program which promises protection against 1 (one) type of risk or more related to the death of the insured, the life and death of the insured, or life insurance annuity;
- c. a program which promises protection against 1 (one) type of risk or more related to the physical health condition of a person or the declining health condition of a person insured; and/or
- d. a program which promises protection against 1 (one) type of risk or more by providing compensation or payment to the policy holder, the insured,, or the participant or other entitled party in case of accident.

2. Investment-Linked Insurance Product, hereinafter called PAYDI, is an insurance product giving at least protection against the risk of death and benefit referring to gains on investment from an accumulation of funds specially formed for insurance products, either those stated in unit or non-unit form.
3. Joint Insurance Product is an insurance product designed in such a way that 2 (two) insurance companies or more will market and insure it or manage its risk.
4. Standard Insurance Product is an insurance product that meets criteria as set forth in Regulation of the Financial Service Authority No. 23/POJK.05/2015 concerning Insurance Products and Marketing of Insurance Products.
5. Micro Insurance Product is an insurance product designed to give protection against financial risk faced by low-income people.
6. Insurance Policy is a deed of insurance agreement or other document treated the same as deed of insurance agreement, and other document which is an integral part of insurance agreement, which is made in writing and contains an agreement between the insurance company and the policy holder.
7. Premium is a sum of money set by insurance company and agreed upon by policy holder to be paid based on an insurance agreement or a sum of money set based on the law and regulation underlying compulsory insurance program to receive benefit.
8. Insurance Company is a general insurance company and life insurance company.
9. General Insurance Company is a company running general insurance business as referred to in Law No. 40/2014 concerning Insurance.
10. Life Insurance Company is a company running life insurance business company business as referred to in Law No. 40/2014 concerning Insurance.
11. Board of Directors:
  - a. for a general insurance company and life insurance company in the form of limited liability company, is the board of directors as referred to in the law and regulation concerning limited liability company;
  - b. for a general insurance company and life insurance company in the form of cooperative unit, is the executive board as referred to in the law and regulation concerning cooperatives; or
  - c. for a general insurance company and life insurance company in the form of joint business, is the board of directors as referred to in the corporate articles of association.
12. Corporate Actuary is an actuary who is appointed and serves employee of insurance company.

13. Financial Service Authority, hereinafter abbreviated into OJK, the Financial Service Authority as referred to in Law No. 21/2011 concerning Financial Service Authority.

## II. MODEL AND FORMAT OF REPORTING APPROVAL OF INSURANCE PRODUCTS

1. Insurance products that must be reported to OJK to secure a letter of approval are as follows:
  - a. New insurance product that has never been marketed other than standard insurance product; and
  - b. New insurance product other than standard insurance product that has ever been marketed and undergoes changes, covering :
    - 1) insured risk, including exception or restriction of the cause of insured risk;
    - 2) Premium formula;
    - 3) change in the category of risk;
    - 4) assumption related to the formation of premium formula; and/or
    - 5) method of calculating cash value.
2. The reporting of insurance product to secure a letter of approval as referred to in point 1 shall be complete with the following documents:
  - a. form to report approval of new insurance product;
  - b. projected premium income and spending related to the marketing of new insurance product for a period of 3 (three) years;
  - c. description of new insurance product; and
  - d. specimen insurance policy.
3. In addition to the complete documents as referred to in point 2, the reporting of new insurance product in the form of joint insurance product must also be accompanied by documents:
  - a. a written agreement, if the collective insurance product is a new insurance product as referred to in point 1 letter a; or
  - b. a letter of approval or a letter of last listing of collective insurance product, if the collective insurance product is a new insurance product as referred to in point 1 letter b.
4. The form to report approval of new insurance product as referred to in point 2 letter a must follow the model and format as follows:
  - a. for life insurance company reporting insurance product other than PAYDI and collective insurance product, as referred to in Attachment I;

- b. for general insurance company reporting insurance product other than PAYDI, collective insurance product, and credit and/or suretyship insurance product, as referred to in Attachment II;
  - c. for insurance company reporting PAYDI, as referred to in Attachment III;
  - d. for insurance company reporting collective insurance product as referred to in Attachment IV; or
  - e. for general insurance company reporting credit and/or suretyship insurance product, as referred to in Attachment V, which are an integral part of this Circular of OJK.
5. Insurance company must convey more than 1 (one) forms to report approval of new insurance product as referred to in point 4 if :
- a. the reporting of PAYDI is collective insurance product using the form as referred to in point 4 letters c and d;
  - b. the reporting of credit and/or suretyship insurance product is collective insurance product using the form as referred to in point 4 letters d and e; or
  - c. the reporting of insurance product other than those referred to in letters a and b needs a combination of forms as referred to in point 4 in accordance with the characteristics of insurance product reported.
6. Description of insurance product as referred to in point 2 letter c must follow the model and format as referred to in Attachment VI which is an integral part of this Circular of OJK.

### III. MODEL AND FORMAT TO REPORT THE LISTING OF INSURANCE PRODUCT

1. Insurance products that must be reported to OJK to obtain a letter of listing are :
- a. New insurance product in the form of standard insurance product; and
  - b. Insurance product that has been marketed and undergone change other than that referred to in roman number II point 1 letter b, on condition :
    - 1) the insurance product is marketed to the insured individual; or
    - 2) the insurance product is marketed to the insured other than individual whose marketing has ever been stopped.
2. The reporting of new insurance product in the form of standard insurance product as referred to in point 1 letter a must be accompanied by the following documents:
- a. form to report the listing of new insurance product;
  - b. description of new insurance product; and

- c. written agreement, particularly for collective insurance product.
3. The form to report the listing of new insurance product as referred to in point 2 letter a must follow the model and format as follows:
- a. for insurance company reporting standard insurance product other than collective insurance product, and credit and/or suretyship insurance product as referred to in Attachment VII;
  - b. for insurance company reporting standard insurance product constituting collective insurance product as referred to in Attachment VIII; or
  - c. general insurance company reporting standard insurance product constituting suretyship insurance product as referred to in Attachment IX, which are an integral part of this Circular of OJK.
4. Insurance company must convey more than 1 (one) form to report the listing of new insurance product as referred to in point 3 if :
- a. the reporting of standard insurance product constitutes suretyship insurance product and collective insurance product using the form as referred to in point 3 letters b and c;
  - b. the reporting of standard insurance product other than that referred to in letter a needs a combination of forms as referred to in point 3 according to the characteristics of insurance product reported.
5. A report on the listing of insurance product that has been marketed and has undergone change as referred to in point 1 letter b must be accompanied by the following documents:
- a. form to report the listing of a change in insurance product;
  - b. a letter of approval or a letter of the last listing of insurance product or collective insurance product before the change occurs;
  - c. description of insurance product;
  - d. matrix of ratio of insurance products before and after the change; and
  - e. specimen insurance policy after the change, especially for insurance products other than standard insurance product.
6. Form to report the listing of a change in insurance product as referred to in point 5 letter a must follow the model and format as follows:
- a. for insurance company reporting a change in insurance product other than collective insurance product as referred to in Attachment X; or
  - b. for insurance company reporting a change in collective insurance product as referred to in Attachment XI, which are an integral part of this Circular of OJK.

7. Description of insurance product as referred to in point 2 letter b and point 5 letter c must follow the model and format as referred to in Attachment VI, which is an integral part of this Circular of OJK.

#### IV. PROCEDURE OF CONVEYING A REPORT ON INSURANCE PRODUCT

1. Insurance company must report insurance products to OJK according to the model and format as referred to in attachments to this Circular of OJK.
2. The report on insurance product as referred to in point 1, is sent to OJK online through the OJK data communication network system.
3. If the OJK data communication network system as referred to in point 2 is not available or has technical trouble when insurance product report is filed, the insurance product report as referred to in point 1, shall be filed to OJK offline.
4. The offline insurance product report as referred to in point 3, must be filed in the form of electronic data through compact disc (CD) or other electronic data memory media, and especially part A.I and/ or B.I of description of insurance product as referred to in Attachment VI which is an integral part of this Circular of OJK is drawn up in spreadsheet format.
5. If the technical trouble as referred to in point 3 is experienced by OJK, it must announce it through the OJK website on the same day as that of the technical trouble.
6. The report of insurance product filed as referred to in points 2 and 3, is accompanied by an introductory letter signed by :
  - a. the board of directors of the insurance company; or
  - b. the board of directors of insurance company appointed as a leader in the marketing of collective insurance product.
7. The report on insurance product filed offline as referred to in point 3 is addressed to :  
 The Financial Service Authority  
 attn. the Director of IKNB Institutions and Products  
 Menara Merdeka Building  
 Mailing Room Floor 12  
 Jl. Budi Kemuliaan I No.2  
 Central Jakarta
8. The offline report on insurance product as referred to in point 3 can be filed through one of the following ways :

- a. filed directly to the OJK office;
  - b. filed by registered mail; or
  - c. filed through courier service, according to the address as referred to in point 7.
9. Insurance company will be declared to have filed a report on insurance product, if :
- a. for a report on insurance product filed online through the OJK data communication network system, there has been a receipt from OJK; or
  - b. for a report on insurance product filed offline, there has been :
    - 1) a receipt from OJK, if the report is filed directly to the OJK office as referred to in point 8 letter a; or
    - 2) a delivery receipt from the post office or courier service company, if the report is filed through post office or courier service company as referred to in point 8 letters b and c.
10. In case of a change in the address of the OJK office to file the report as referred to in point 7, OJK will announce the change in the address through a letter or announcement.

#### V. CONCLUSION

Provisions in this Circular of OJK begins to take effect on the date of stipulation.

Stipulated in Jakarta

On April 22, 2016

THE EXECUTIVE CHIEF FOR THE SUPERVISION OF INSURANCE, PENSION FUNDS,  
FINANCING INSTITUTIONS AND OTHER FINANCIAL SERVICE INSTITUTIONS AT THE  
FINANCIAL SERVICE AUTHORITY,

sgd

FIRDAUS DJAELANI

Editor's note :

- Attachments are not carried for technical reasons.

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