

Analysis of Motor Vehicle Insurance Coverage Under Indonesian Insurance Law

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Abstract

Motorized vehicles are one of the forms of transportation that are needed by Indonesian people to carry out their daily activities. The development of motorized vehicles in circulation will also make traffic conditions more congested. Motor vehicle insurance is insurance for losses in which there is no specific regulation in the Commercial Code (KUHD). All general insurance provisions in the Criminal Code apply to motor vehicle insurance. The research method used is descriptive qualitative research with an empirical juridical approach. Insurance law is an object of civil law, if it is concluded that unless specified in the Commercial Law Code (KUHD) as a special provision as an agreement. An insurance agreement is an agreement in which one party (guarantor) agrees to bear the risk of an event where the event cannot be determined. On this basis the other party (the insured) is threatened and has an agreed interest in the occurrence of the insured event. The insurer will pay the insured in the form of money or other benefits that have financial value. Insurance in the Criminal Code shows that there is a scope arrangement that focuses on fire insurance, while there are various other types of insurance that also require regulation. From what has been discussed above, it can be concluded that the insurance business as an institution that collects funds belonging to the public runs its business adhering to sound business principles and is responsible for the arrangements ordered by the government and also accountability is carried out by issuing insurance policies that have been agreed upon jointly by the insured and the insurer as well as the premium payment by the insured to the insurer so that there is a transfer of risks arising between the rights and obligations between the two.

Keywords: Motor Vehicles, Coverage, Insurance



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INTRODUCTION

Motorized vehicles are one of the most popular forms of transportation in Indonesia. According to the Indonesian National Police (Polri), the number of motorized vehicles in Indonesia as of 31 December 2022 reached 152.51 million units. A total of 126.99 million units or 83.27% were motorcycles and the rest were passenger cars. Of course the development of motorized vehicles is very rapid along with the development of the automotive industry in Indonesia. The development of motorized vehicles is much higher when compared to commercial motorized vehicles or other public vehicles. Motorized vehicles are one of the forms of transportation that are needed by Indonesian people to carry out their daily activities. Along with the development of motorized vehicles in circulation, it will also make traffic conditions more dense. However, apart from that, other risks that may occur in motorized vehicles are accidents and losses due to various causes. Of course, this will always exist in people's lives, so we must manage it as well as possible through certain techniques so that the impact does not affect human goals or activities. Actions to overcome the risk known as Risk Management (Risk Management).

Behind these risks there is a mechanism that can be used to alleviate the financial difficulties caused. The mechanism referred to includes insurance, which is a mechanism that plays an important role in modern life. Insurance itself is useful for dealing with risks that may arise, either to a person or to property owned. The insurance that will be discussed further is motor vehicle insurance. Motor vehicle insurance is insurance that provides coverage for loss or damage to motorized vehicles. Motor vehicle insurance guarantees two kinds of risks, namely loss or damage to motor vehicles and liability. Liability is the obligation to be responsible for actions that cause harm to people. In insurance, the term liability means providing protection against claims filed by third parties who suffer losses due to certain negligence.

Motor vehicle insurance is insurance for losses in which there is no specific regulation in the Commercial Code (KUHD). All general insurance provisions in the Criminal Code apply to motor vehicle insurance. Coverage for motorized vehicles is the scope of the type of insurance regulated in the Commercial Code Article 427. Insurance for motorized vehicles is needed to ease the burden on victims of traffic accidents or it can also serve as collateral for the motorized vehicle itself. Compensation given to users of motorized vehicles is relatively large and can benefit victims and get damaged motorized vehicles back into use again. Motor vehicle insurance as a result of advances in industrial technology both land, sea and air transportation which is growing rapidly. Indonesia itself uses the results of technological production in the field of transportation equipment. Although only a few groups of people benefit from it, the numbers are due to price competition and the quality of private vehicles and public transportation. Over the years, the number has increased, which is another impact that must be estimated from an economic perspective.

RESEARCH METHODS

The research method used is descriptive qualitative research with an empirical juridical approach. According to Moleong, qualitative research is research that aims to understand the phenomenon of what happens to research subjects in the form of behavior, motivation, action, and perceptions holistically. By describing in words and language a special context by utilizing a variety of scientific methods. Sanjaya revealed that descriptive qualitative research is a method that aims to describe in full and in depth the social reality and phenomena that occur in society which are the subject of research in a structured manner from the characteristics, characteristics, models, and characteristics of the phenomena studied.

RESEARCH RESULTS AND DISCUSSION

Insurance as an Agreement According to the Civil Code

According to Article 1313 of the Civil Code which reads "an agreement is an act in the name of one or more people who binds himself to one or more people". Subekti conveyed that an agreement is an event involving a person or more who promises to do something. The intended insurance agreement is an agreement whereby in exchange for a premium agreed by one party agrees to provide compensation to another party for a certain subject. Insurance law contains provisions related to the rights and obligations of the parties as an agreement on the transfer and acceptance of risk. Insurance law is an object of civil law, if it is concluded that unless specified in the Commercial Law Code (KUHD) as a special provision as an agreement. Arrangements regarding engagement are contained in the third book whose contents relate to grouped insurance agreements, namely the Terms of the Validity of the Agreement regulated in Article 1320 of the Civil Code. There are four conditions for the validity of the agreement, namely: agreement, a certain matter, attractiveness, and a lawful cause.

Insurance as an Agreement According to the Commercial Code

According to Article 1 of the Criminal Code which is a continuation of the Civil Law. Provisions contained in the Civil Code as general provisions also apply to the Criminal Code as special provisions as long as the provisions stipulated have not expired or vice versa. The insurance agreement is an agreement on the basis of utmost good faith. This means literally means good faith which is one of the principles of insurance. This principle is based on the principle of perfect honesty or *uberrimae fidei*. The Anglo-Saxon system or other names Common Law there is an obligation for the parties to make disclosure. An insurance agreement is an agreement in which one party (guarantor) agrees to bear the risk of an event where the event cannot be determined. On this basis the other party (the insured) is threatened and has an agreed interest in the occurrence of the insured event. The insurer will pay the insured in the form of money or other benefits that have financial value. It is clearer in Article 247 of the Criminal Code, insurance is meant for things like fire, dangers that threaten crops, life of a person or those that threaten transportation on land, rivers and sea waters. There are major classifications of the types of insurance in the Criminal Code as follows: General insurance or general insurance which consists of fire and agriculture insurance. Life insurance. Land, river and sea transportation insurance.

Insurance in the Criminal Code shows that there is a scope arrangement that focuses on fire insurance, while there are various other types of insurance that also require regulation. For example, motor vehicle, health, and aviation insurance which are common today are in fact not recognized by the KUHD. From this classification there are still many limitations in the Criminal Code which allow for a wide variety of insurance coverage in accordance with the provisions of Article 268 of the Criminal Code "an insurance for all interests that are valued in money can be threatened by danger and is not excluded by law".

Implementation of the Motor Vehicle Insurance Agreement According to the Book of Laws

1. Settings. Special arrangements in the Criminal Code are not the same as fire insurance, in motor vehicle insurance it is general insurance that does not receive special arrangements in the Criminal Code. All general provisions of general insurance in the Criminal Code apply to motor vehicle insurance between the insured and the insurer. The insurer who has signed the policy becomes written evidence for both parties to fulfill obligations and obtain reciprocal rights. Further discussion regarding motor vehicle insurance, motor vehicle insurance policy as a priority reference without overriding the general provisions in the Criminal Code.
2. Motor Vehicle Insurance Policy. In addition to fulfilling the general requirements of Article 256 of the Criminal Code, a motor vehicle insurance policy must also contain specific conditions that apply to motor vehicle insurance. The general requirements in Article 256 of the Criminal Code are as follows: Closing day for coverage. Name of the insured on his own account or third person. Clear description of the insured motor vehicle against the risks covered. Total cost insured against deferred risk. The risk borne by the insurer. Motor vehicle insurance time from start to finish is the responsibility of the insurer. Cover premium. A special promise determined between the insured and the underwriter. In the motor vehicle insurance policy, in addition to the provisions regarding all risks that are borne and risks that are not covered, there are also special conditions which are as follows: The validity of motor vehicle insurance in the territory of the State. Premium payment. Information regarding accidents, actions, precautions, claims from third parties, and criminal charges against the insured. Losses, compensation, incorrect reports, duplicate

insurance, subrogation of Article 284 of the Criminal Code, and loss of the right to compensate for losses. Arbitration and disputes. Completion of motor vehicle insurance. Premiums and risks Premium payments are made so that risks are transferred to the insurer. The first premium must be paid by the insured. Premiums that are not paid after 10 working days from the date of insurance commencement or the date of insurance renewal or the validity of insurance that is postponed by the insurer without prior notification. If there is damage or loss to the insured motorized vehicle, then the insured has no right to claim a loss. The delay will be completed within 24 hours after the premium is received by the insurer or the insurance is declared null and void. Premiums that are not paid past 90 days from the date of validity of insurance, then this cancellation the insurer is entitled to premiums for the period that has been running 20% of the premium a year. There are two types of risks borne by the insurer, namely first, loss due to motor vehicle damage and second, legal liability to the insured by a third party. In this case the insurer will provide reimbursement to the insured. Uncovered risks are events that limit the liability of the insurer so that they are not covered in motor vehicle insurance. The insurer is not required to provide compensation for the event.

3. Losses and compensation. Losses: Motor vehicles that have been insured at the time of loss or damage caused by a hazard covered under motor vehicle insurance, if the price of the motorized vehicle is greater than the price of insurance, the insurer is obliged to replace according to the calculation of the insured part against the uninsured part insured. This loss is known as partial loss or partial loss is called insurance under the price or under insurance. The insurer is obliged to complete compensation payments within 30 days from the existence of a written agreement between the insurer and the insured regarding the amount of compensation payments to be paid. The liability carried out by the insurer must be in accordance with the mechanism for the vehicle claim procedure which was previously mutually agreed upon by both parties with the following flow: in the event of damage or loss of parts of the vehicle, it is required to report the incident verbally accompanied in writing to the nearest office no later than 5 days when it occurs incident. After that, come to the nearest office to fill out a claim form and submit other supporting documents. Then the officer will conduct a survey and analysis of claims and will make a decision in the form of rejection, repair or replacement of the claim. It is important for the insured to notify if they experience an incident that causes loss and damage. Article 11 in the Indonesian Motor Vehicle Insurance Standard Policy regarding the liability of the insured in the event of loss and damage. The insurer must be responsible by carrying out its obligations to bear the loss if an event that causes a loss occurs as agreed in the insurance policy. With protection in the insurance policy, it will give responsibility to the insurer in completing and determining compensation for the insured. Regarding compensation as stated in the sound of Article 16 in the Standard Motor Vehicle Insurance Policy. Compensation: The insurer is obliged to provide compensation to the insured for damage or loss of the insured motorized vehicle based on the price of the vehicle prior to the damage or loss or third party claims. If a dispute occurs between the insurer and the insured as a result of the implementation of the insurance agreement and is not resolved by deliberation within 30 days of the loss occurring, the subject matter of the dispute is to the Indonesian Loss Insurance Council.

CONCLUSION

From what has been discussed above, it can be concluded that the insurance business as an institution that collects funds belonging to the public runs its business adhering to sound business principles and is responsible for the arrangements ordered by the government and

also accountability is carried out by issuing insurance policies that have been agreed upon jointly by the insured and the insurer as well as the premium payment by the insured to the insurer so that there is a transfer of risks arising between the rights and obligations between the two.

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