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## SETTLEMENT OF MARINE HULL INSURANCE INSURANCE CLAIMS WITH INSURANCE MECHANISM

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### ABSTRACT

Insurance claims use a reinsurance mechanism for coverage for the occurrence of an MV ship collision accident. Pagaruyung Lima with MV.PAC Bintan as in the Decision, basically there is an act of Marine and General Underwriting Ltd as a reinsurance company in accordance with the agreement in the previous agreement by not showing good faith to pay off its obligations and even tending to create artificial reasons and tend to irresponsibly run away from its obligations as a reinsurance company. The formulation of the problem in this study is how the process of resolving insurance claims by using a reinsurance mechanism for ship accidents and how the legal liability for the reinsurance company in the settlement of insurance claims.

The method used in this research is normative legal research. Types and sources of legal materials include primary, secondary and tertiary legal materials. Analysis of legal materials is carried out by means of legal interpretation (interpretation) and legal construction methods, including grammatical interpretation and systematic interpretation.

The results of the research can be obtained that the insurance claim settlement process with the reinsurance mechanism is carried out according to the procedure and in accordance with Article 27 of the Decree of the Minister of Finance No.22/KMK.06/2003 of 2003 concerning the Implementation of Insurance Businesses and Reinsurance Companies. In addition, it is also based on Article 40 of the Financial Services Authority Regulation Number 69 /Pojk.05/2016 concerning Business Conduct of Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies. Legal liability for reinsurance companies in the settlement of insurance claims as regulated in Article 6 paragraph (2) and Article 7 of the Financial Services Authority Regulation Number 70 /POJK.05/2016. The responsibility of the Insurer, namely the reinsurance company against claims in Marine Hull and Machinery Insurance, is to provide protection for the rights of the insured who have been agreed upon at the time of insurance closing which has been made in a deed called a policy. In addition, based on cases of refusal to pay ship accident insurance claims, there should also be roles and responsibilities of insurance brokers not only covering the selection and closing, but also regarding responsibilities in handling compensation settlements

### Keywords

Marine Hull and Machinery Insurance, PT Asuransi Ramayana, PT MandiriRe Internasional, Marine and General Underwriting Ltd

### INTRODUCTION

As one of the largest maritime countries in the world, Indonesia has more than 17,000 islands in the sea area stretching from Sabang to Marauke. Indonesia is also famous for having the largest archipelagic country in the world, namely a group of islands connected by bodies of water. Various types of boats have been used for trade and inter-island trade since the beginning of time. One of the most popular economic activities is transportation, three types of transportation are often used in daily life: sea, air, and land. Of the three transportations, sea transportation plays an important role both domestically and internationally because sea transportation is one of the main economic trade routes in domestic and international trade flows. However, the development of commercial traffic through sea transportation is also accompanied by very dangerous and destructive incidents in each of its voyages, which cannot be predicted when and where they occur and thus can cause losses at any time. The term that is often heard in insurance is the term event. An event is an event that cannot be predicted / predicted to occur, or even if it has occurred, even though it cannot be known or anticipated that it will occur, but if it occurs it will also cause losses. The event was beyond human control, so no one could stop it or make it less likely to happen. Because it is the cause of loss, death, or disability of the insured object, therefore insurance is provided against this incident. Risk is a term used to describe a threat that is anticipated to affect the object of insurance even though the event causing the loss has not yet occurred. From the perspective of insurance, risk is a possibility that can result in losses due to threats that may occur, but the occurrence cannot be predicted when and whether it will occur. Although it doesn't necessarily hurt, it needs to be avoided, for example by preparing an umbrella before it rains.

According to Law Number 40 of 2014 concerning Insurance, insurance is divided into three types, namely life insurance, general/loss insurance, and reinsurance. Life insurance is a business that provides services in overcoming risks associated with the life or death of an insured person. General/loss insurance is a business that provides services in overcoming the risk of loss and loss of benefits and legal liability to third parties arising from uncertain events. While reinsurance is a business that provides services in reinsurance against risks faced by loss insurance companies and or life insurance companies.

Risk and insurance have a close symbiotic relationship with each other. Insurance is actually considered as one of the best solutions for managing a risk in terms of risk management. In layman's terms, it can be said that in order to transfer risk, one must pay a premium to the insurance company. If the risk occurs, then the insurer is obliged to pay the claim. The reality is more complicated than that, as seen in insurance against shipwrecks caused by bad weather, collisions, fires, piracy, and other events. Regulatory non-compliance and poor shipping management are additional causes of shipwrecks. The insurance company that bears the risk will be affected by the number of accidents that occur. Neither party wants to risk an accident. Insurance is a risk control strategy; the greater the risk of accidents, the higher the insurance premiums that must be paid by ship owners and service customers.

Marine hull and machineries are specially created to offer complete protection against marine hazards and shipping risks for ships, machinery and equipment. Marine hull and machineries cover risks such as those related to marine hazards such as bad weather, sinking, collision, etc., fire, explosion, violent outsider theft, dumping, piracy, damage or accident at nuclear installations or reactors, collision with aircraft or other celestial bodies, means of land transportation, docks, and other risks.

Losses and damages (risks) resulting from maritime hazards are covered by sea freight insurance. The terms of the insurance agreement are that the insured must pay a premium for marine insurance, which includes the type of coverage that includes coverage for both risks related to hazards and risks involving two objects of coverage, namely ships (hull) and cargo (marine cargo). comes from humans and nature. Hull insurance provides coverage for losses caused by the destruction or damage to the ship's hull, including machinery and equipment, while at sea or due to other reasons insured. In the event the ship is destroyed, suffers damage that prevents it from operating properly, or is in a situation where the cost of repairs will be equal to the price of the new ship. Therefore, by submitting the transfer of ownership of the shipwreck to the insurer, the insured has the right to relinquish ownership of the insured object (abandonment) to the insurer. The author wants to discuss the settlement of marine hull insurance claims with the reinsurance mechanism that occurs between PT. Mandiri Internasional, Marine And General Underwriting Ltd, and with PT Asuransi Ramayana.

The originality of the first research was carried out by Rinitami Njatrijani who conducted a research entitled "Marine Hull and Machinery Claims in Insurance Practices". The focus of this research is related to the partial liability of insurance companies. The second research was conducted by Marihot Simanjuntak, Dhaniswara K. Harjono, Wiwik Sri Widiarty who conducted a research entitled "Settlement of Marine Hull And Machinery Insurance Claims at PT. Asuransi Purna Artanugraha (Case Study of MA-RI Decision No. 1815 K/Pdt/2015)" as for the focus of this research, namely the insurance claim settlement mechanism that was agreed upon from the beginning by the parties referring to the Marine Insurance Act 1906 as a document. or proof of marine insurance in detail.

## **METHOD**

The author conducted this legal research using a normative legal research approach. Investigating how rules or norms are applied in positive law is the focus of normative juridical research. The statute approach, which is used to review all laws and regulations related to the legal issues being discussed, as well as the case approach related to the legal problems at hand, is the research method that the author uses. To overcome legal problems, legal research can be carried out using legal materials. Primary, secondary, and tertiary sources of law are the basis for the legal materials used by researchers in this normative juridical law research.

The collection of legal materials is carried out by identifying and taking an inventory of positive legal rules, researching library materials (books, scientific journals, research reports), and other sources of legal materials relevant to the legal issues being studied. Analysis of legal materials is carried out by means of legal interpretation (interpretation) and legal construction methods.

## **RESULTS**

Insurance or coverage is an agreement with an insurer who binds himself to an insured by receiving a premium to pay for a loss, damage, or loss, says Article 246 of the Commercial Code (KUHD).

He may have experienced an unknown event," explaining this from a legal perspective. Sastrawidjaja emphasized that the component listed in Article 246 of the Criminal Code is a legal relationship based on a commitment to cause legal consequences between two or more parties that is what is meant by an agreement. Insurance contracts can be regulated with the terms of engagements and agreements listed in Book III of the Civil Code as long as they are not regulated in the Civil Code, or vice versa. The following is stated in Article 1 of Law Number 40 of 2014 concerning Insurance.

As the object of the author's research on marine hull insurance, in this case the insurer and the insured bind themselves to a guarantee agreement covering an item, especially a ship. With the coverage of Marine Hulls and Machinery Ships and ship engines, as well as connecting rods, cylinder blocks, cylinder liners, and rocker arm inlet valves, are the objects of coverage. The main problem that becomes the object of this research is the settlement of insurance claims with a reinsurance scheme between PT. Mandiri International, Marine And General Underwriting Ltd, and with PT Asuransi Ramayana. Basically, it explained that the problem occurred when the insured filed an insurance claim due to a ship accident but the insurer in this case acting as a reinsurance brokerage in bad faith did not want to disburse the claim even though there was a decision from the surveyor which said that there was no overload in the accident so that PT. Ramayanan filed a lawsuit on the matter to the local District Court.

## DISCUSSION

### 1. Insurance Claim Settlement Process Using Reinsurance Mechanism for Ship Accidents

From a legal aspect, it has been stated in Article 246 of the Commercial Code (KUHD) which means "Insurance or coverage is an agreement with an insurer who binds himself to an insured by receiving a premium to provide compensation to him for a loss, damage or loss. expected benefit that he may suffer from an unspecified event". One type of agreement in the insurance sector is related to ship accidents.

According to Government Regulation Number 1 of 1998 concerning Ship Inspection provides a definition of ship accidents as regulated in Article 2 paragraph (2) that ship accidents include sinking ships, burning ships, ship collisions, ship accidents that cause human life and property loss and ship aground. . In the KUHD, ship accidents are better known as marine losses. According to the KUHD, marine losses are losses due to ship collisions, shipwrecks, ship aground, finding goods at sea and avari (avarij, average).

Claims in insurance are clearly stated in the policy, in this case they must be submitted by parties who have an interest in the insured ship and include the insured's obligations in making the claim, namely reporting the incident and accompanied by the necessary supporting documents. Failure to notify as soon as possible can eliminate the obligation of the insurer to pay compensation. The documents that are usually required in filing a claim for losses are as follows:

1. Original policy
2. Ship accident report (master report) that has been known or approved by the competent authority and photos if any
3. Logbook
4. Survey report
5. Letters on ship classification
6. Copies of letters and/or answers to claims to third parties.
7. Other documents related to the loss in question that can be used as evidence to substantiate the claim.
8. And other documents needed later.

The procedure or process for resolving insurance claims with a reinsurance mechanism that must be followed by the insured through several conditions, namely:

1. There is a claim for an event that causes a loss by the insured to the insurer.
2. The insurer checks whether the claim is claimable
3. After the insurer registers the claim, a decision is made at this first stage to see the results of the inspection (Internal Control) by the insurer.
4. The insurer reports the incident to the reinsurer/co insurance as initial notification.
5. The Insurer shall appoint a surveyor appointed by the Insurer to perform fact finding on the incident that gave rise to the claim.
6. Average Adjuster/Loss Adjuster which will determine claims according to what is guaranteed in the policy or not and sort out events or losses that are guaranteed and can be paid to the insured.
7. After receiving all reports from both surveyors and loss adjusters,
8. After it is decided that the claim is accepted, it will be continued with notification of the compensation value to be paid to the insured followed by a final report adjustment to the insured.
9. The Insured provides confirmation in the form of Release and Discharge Form

10. After Release and Discharge Form

Previously, on September 23, 2003, one of the ships that became the object of insurance, namely MV Pagaruyung Lima, had an accident and sank in the Bangka Strait due to being hit by KM Pac Bintan. For the accident, there has been a claim process from the insured party PT Pagaruyung Prasetya Lines to PT. Ramayana Insurance, and later PT. Asuransi Ramayana submitted a reinsurance claim to Marine And General Underwriting Ltd as reinsurer/reinsurance through PT. Mandiri Internasional as a broker until finally there was a legal problem that also involved PT. Mandiri Internasional as the broker, as described below:

1. Whereas for the collision, the insured PT Pagaruyung Prasetya Lines filed a claim by sending a letter in the form of a claim note dated October 6, 2003 to PT. Ramayana Insurance with total coverage of Rp. 15,000,000,000,-, and asked PT. Asuransi Ramayana which essentially asks and asks PT. Ramayana Insurance immediately settles claims on the insured's MV Pagaruyung Lima;
2. That in order to respond quickly to the settlement of the claim of the insured, before submitting the said claim, on the basis of the reinsurance agreement, PT. Mandiri Internasional together with PT. Ramayana Insurance has done the following:
  - a. PT. Mandiri Internasional immediately forwarded the notification of the sinking of the MV Pagaruyung Lima to Marine And General Underwriting Ltd as the reinsurer through PT. Ramayana Insurance;
  - b. The appointment of a surveyor (examiner of the cause of the incident) and adjuster (estimator of the claim for loss) in the said claim where it was finally agreed to examine the basis that caused the collision event, a surveyor was appointed by PT Abadi Cemerlang, and to assess the magnitude of the loss an adjuster, namely Poseidon Adjusters, was appointed. (Singapore);
  - c. The appointment of a legal representative in Singapore to negotiate/prosecute against Pac Bintan (the party that hit the MV Pagaruyung Lima), which in the end agreed to John Ray Watson, Farley & Williams, Singapore as the lawyer appointed by PT. Mandiri Internasional and has been approved by PT. Ramayana Insurance and Marine And General Underwriting Ltd;
  - d. That based on the survey report (inspection report) from PT Abadi Cemerlang dated November 13, 2003, it was described that the MV Pagaruyung Lima at the time of the collision was in a seaworthy condition and fit for transporting cargo or not in a cargo overload condition (exceeding the load limit). Likewise with the final adjuster from Poseidon Adjusters dated February 16, 2004 which stated that the claim of the insured MV Pagaruyung Lima can be paid (claimable), and the amount of claim that must be paid by Marine And General Underwriting Ltd to PT. Ramayana insurance is Rp. 13,500,000,000.00 (thirteen billion five hundred million rupiah).
3. Whereas regarding the incident of the collision of the ship has also been decided by the Shipping Court as decision no. 819/05111/Mahkamah Pelayaran-04 which essentially states that KM Pac Bintan is guilty of the collision and MV Pagaruyung Lima is not overloaded;
4. Whereas in the negotiation/prosecution against Pac Bintan through John Ray Watson, Farley & Williams, Singapore, it turns out that Pac Bintan in the Letter of Under Taking (LOU) (letter of transfer of responsibility) has agreed to be responsible for USD 1,200,000. Whereas however, the consideration of the value offered is not proportional to the loss value of PT Pagaruyung Prasetya Lines so that it cannot be accepted by the Insured, especially if the LOU is in respect of all claims assessed by PT. Ramayana Insurance will cover the opportunity to be able to ask for deficiencies that can still be sued from Pac Bintan, so that it is impossible for the LOU request to be fulfilled;
5. Whereas with the disapproval of KM Pac Bintan's liability of USD 1,200,000 as stated in the Letter of Under Taking (LOU), PT. Asuransi Ramayana then asked for confirmation from PT. Mandiri Internasional as a reinsurance broker representing the interests of PT. Ramayana Insurance to manage claim payments from Marine And General Underwriting Ltd as reinsurer as stated in the letter dated March 1, 2004. PT. Mandiri Internasional then conveyed this to Marine And General Underwriting Ltd., but based on the Memorandum from Marine And General Underwriting Ltd. dated April 21, 2004, it was stated that Marine And General Underwriting Ltd. would only be willing to pay claims to PT. Ramayana Insurance on the condition that PT. Ramayana Insurance must submit the administrative requirements requested by Marine And General Underwriting Ltd due to an indication of overload from Marine And General Underwriting Ltd, including the following:
  - a. Copies of all subrogation documents regarding the offer (of) \$1,200,000 US Dollars;

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- b. Verification from the ship's designer and manufacturer that the 9,000 MT load is capable of being carried by this ship and the type of payload (still) complies with the ship's specifications;
  - c. Independent assessment (by) the ship's intermediary on the (condition) of the ship at the time of the accident;
  - d. Proof of an insured copy of ownership of the "sale contract" (sales contract) and a copy in the form of payment (by way of) "bank draft" (money order/check bank), for the purchase of the ship.
  - e. For this matter, PT. Mandiri International then immediately submitted the request for Marine And General Underwriting Ltd to PT. Ramayana Insurance via fax dated April 23, 2004.
6. Whereas then based on:
- a. Survey report from PT Abadi Cemerlang which describes that the MV Pagaruyung Lima at the time of the collision was in a seaworthy condition and was suitable for carrying cargo or not in a cargo overload state.
  - b. Final adjuster from Poseidon Adjusters (Singapore) which stated that the claim of the insured MV Pagaruyung Lima can be paid (claimable), and the amount of claim that must be paid by Marine And General Underwriting Ltd to PT. Ramayana insurance is Rp. 13,500,000,000.00 (thirteen billion five hundred million rupiah);
  - c. The decision of the Shipping Court which essentially stated that KM Pac Bintan was guilty of the collision and MV Pagaruyung was not overloaded, then PT. Asuransi Ramayana stated that Marine And General Underwriting Ltd had no more reason not to pay reinsurance claims, and PT. Asuransi Ramayana is not willing to submit the documents requested by Marine And General Underwriting Ltd for an indication of overload from Marine And General Underwriting Ltd, and subsequently PT. Asuransi Ramayana assumes that the request for documents only intends to slow down the claim payment process to PT. Ramayana Insurance;
7. That due to certain considerations from PT. Ramayana Insurance in particular the Indonesian insurance regulations, so without waiting for advance payment from Marine And General Underwriting Ltd as a reinsurance company, PT. Ramayana Insurance has paid off all insurance claim payment obligations to the insured PT Pagaruyung Prasetya Lines amounting to Rp. 15,000,000,000.00 (fifteen billion rupiah);
8. Whereas after these incidents, PT. Asuransi Ramayana through its legal representative sent a subpoena dated November 9, 2004 to PT. Mandiri International and accused PT. Mandiri International as a broker has failed to fulfill its obligations by appointing Marine And General Underwriting Ltd which is known and should be known to be an unfit company to be selected as a reinsurer, and considering that Marine And General Underwriting Ltd has failed to pay its obligations, PT. Asuransi Ramayana asked PT. Mandiri International to be responsible for the settlement of reinsurance claims totaling Rp. 14,800,000,000.00 (fourteen billion eight hundred million rupiah);
9. Whereas in carrying out its obligations as a reinsurance broker representing the interests of PT. Ramayana Insurance based on a reinsurance agreement, PT. Mandiri International has carried out its obligations properly and professionally, including the following:
- a. That PT. Mandiri International directly forwards/pays reinsurance facultative premium from PT. Ramayana Insurance to Marine And General Underwriting Ltd as the forwarding/payment of reinsurance facultative premium installments I to V from PT. Mandiri International to Marine And General Underwriting Ltd through PT. Ramayana Insurance as the broker. That the reinsurance premium was paid on April 19, 2004 in accordance with the schedule agreed upon by Marine And General Underwriting Ltd and has been forwarded by PT. Mandiri International to Marine And General Underwriting Ltd through Crawley Warren International Ltd as its broker on 7 June 2004;
  - b. That PT. Mandiri International has also made every effort to resolve the claims submitted by PT. Ramayana Insurance to Marine And General Underwriting Ltd for the insured PT Pagaruyung Prasetya Lines, namely:
- 1) PT. Mandiri International together with PT. Asuransi Ramayana has held several meetings to find solutions, and always tries to contact Marine And General Underwriting Ltd for settlement of claims;
  - 2) PT. Mandiri International always immediately conveys to PT. Ramayana Insurance and vice versa, either through electronic media (email and facsimile) or by mail, all correspondence for payment of claims for the insured MV Pagaruyung Lima owned by PT Pagaruyung Prasetya Lines;

- 3) In the position of Marine And General Underwriting Ltd which is still not willing to pay claims even though there is a Survey Report from PT Abadi Cemerlang and Final Adjuster from Poseidon Adjusters (Singapore) which states that the claim of the Insured MV Pagaruyung Lima can be paid (claimable) and the insured not in a state of overload, PT. Mandiriire Internasional as a reinsurance broker continues to try to help settle the claim payment by asking Marine And General Underwriting Ltd to make a claim payment to PT. Asuransi Ramayana, and immediately conveyed the response of Marine And General Underwriting Ltd to PT. Ramayana Insurance.
10. Whereas for the non-payment of reinsurance claims under the MV Pagaruyung Lima coverage owned by PT Pagaruyung Prasetya Lines which is the responsibility of Marine And General Underwriting Ltd to PT. Ramayana Insurance, causing PT. Asuransi Ramayana filed a lawsuit against PT. Mandiriire Internasional on the basis of default on the reinsurance brokership, and demanded compensation from PT. Mandiriire Internasional which should not be the party responsible for the payment of reinsurance claims, but Marine And General Underwriting Ltd which should be responsible for the settlement of insurance claims with the reinsurance mechanism.

According to the author's analysis that the process of settling claims on insurance using a reinsurance mechanism for ship accidents is in accordance with the case of PT Pagaruyung Prasetya Lines which has insurance coverage at PT. Ramayana Insurance as an insurance company, PT. Mandiriire Internasional as an insurance broker and Marine And General Underwriting Ltd as a reinsurance company that the insurance claim settlement process with a reinsurance mechanism for ship accidents is carried out according to procedures and in accordance with Article 27 of the Decree of the Minister of Finance No.22/KMK.06/2003 of 2003 concerning Implementation Insurance Business and Reinsurance Company which reads: "The Insurance Company must have paid the claim no later than 30 (thirty) days after the agreement between the insured and the insurer or certainty regarding the amount of the claim to be paid". In addition, it is also based on Article 40 of the Financial Services Authority Regulation Number 69 /Pojk.05/2016 concerning the Business Conduct of Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies which reads that:

- (1) The Company or Sharia Unit is required to settle the claim payment according to the claim or benefit payment period specified in the insurance policy or no later than 30 (thirty) days after the agreement between the policy holder, the insured, or the participant and the Insurance Company, Insurance Company Sharia, or Sharia Unit in an Insurance Company, or certainty regarding the amount of claims to be paid, whichever is shorter.
- (2) In the event that the Company or Sharia Unit is required to pay a claim based on the decision of the relevant alternative dispute resolution institution, the Company or Sharia Unit of the Company must pay the claim no later than 30 (thirty) days after the decision is stipulated or otherwise stipulated in the decision of the alternative dispute resolution institution. related.
- (3) In the event that the claim settlement process has been delegated to the court, the Company or Sharia Unit is obligated to pay the claim no later than 30 (thirty) days after the decision on payment of claims has permanent legal force (inkracht) or otherwise stipulated in a court decision.
- (4) Companies or Sharia Units are prohibited from making claims payments through Insurance Brokerage Companies or Reinsurance Brokerage Companies except with written approval from the policy holder, the insured, the participant, or the Ceding Company."

In the above case, this problem arose because the reinsurance company rejected the PT Pagaruyung Lines ship accident claim that should have been given by Marine And General Underwriting Ltd to PT. Ramayana Insurance. On the basis of default on the reinsurance brokership, and claiming compensation against PT. Mandiriire Internasional which should not be the party responsible for the payment of reinsurance claims, but Marine And General Underwriting Ltd which should be responsible for the settlement of insurance claims with the reinsurance mechanism.

According to the author, the rights and obligations of Marine And General Underwriting Ltd as the Insurer for claims of Marine Hull and Machinery in the practice of insurance should be carried out properly, in accordance with the principles in insurance law and have met the basic requirements of the agreement as regulated in Article 1320 of the Civil Code and articles that protect it.

## **2. Legal Liability for Reinsurance Companies in Settlement of Insurance Claims**

Based on article 255 of the Commercial Code (KUHD) which confirms that insurance is made in writing in the form of a deed called a policy. However, this is not enough to assume that the policy is used as evidence in the insurance agreement. Article 255 of the KUHD must be linked to article 257 and article 258, which cannot be separated. This is because Article 257 of the KUHD states that:

"The coverage agreement (insurance) is immediately held, the rights and obligations, reciprocity of the insurer and the insured begin from that moment on, even before the policy is signed".

Thus, based on article 257 of the KUHD the insurance agreement can be said to be a consensual agreement. The insurance policy is said to have occurred between the insurer and the insured when both parties reach an agreement to make an agreement, where the insured agrees and fills out the insurance application form as an agreement to bind himself to the insurer even though the insurance policy has not been issued.

Reinsurance is regulated in Article 271 of the Commercial Code (KUHDagang) which reads "The Insurer can always insure again what has been borne by him." Reinsurance or reinsurance aims to enable the insurer to pay a claim to the insured in the event of an event that causes a loss, while the insurer is concerned if he is unable to pay the claim. Therefore, the insurer re-insures what has become his dependents. The purpose of the reinsurance is to ease the burden on the insurer. If at any time there is a claim on a policy, the reinsurance company is responsible for the ceding company, not the insured. Reinsurance is important to insurance buyers for several reasons:

1. Reinsurance leveling risks which improves the financial stability of insurance companies. This makes the insurance policy more convincing.
2. Reinsurance makes it easy to place a large risk or extraordinary risk in an insurance company, thereby reducing the time wasted on seeking insurance and eliminating the need for multiple policies for one risk. This is a cost, for both the buyer and the seller.
3. Reinsurance helps small insurance companies stay afloat, thereby increasing competition in the industry. Without reinsurance, small insurance companies will be very difficult to compete with large insurance companies.
4. Because of the explanation above, the writer analyzes that with the existence of reinsurance companies can minimize risk. In PT. Ramayana Insurance, with the existence of reinsurance at least the fulfillment of obligations for insurance claims by PT. Ramayana insurance can be paid using a claim from a reinsurance agreement with a reinsurance company so that the insured is not harmed.
5. With regard to legal liability for reinsurance companies in the settlement of insurance claims as regulated in Article 6 paragraph (2) of the Financial Services Authority Regulation Number 70 /POJK.05/2016 which reads:

"In the event that the Reinsurance Brokerage Company has not submitted the payment of premium or contribution to the Reinsurer after the expiration of the period as referred to in paragraph (1), the Reinsurance Brokerage Company shall be responsible for the payment of claims or benefits arising."

In addition, Article 7 states that:

- (1) The responsibility for payment of claims or benefits arising as referred to in Article 5 paragraph (2) and Article 6 paragraph (2) must be carried out by the Insurance Broker Company or Reinsurance Brokerage Company in accordance with the claim or benefit payment period specified in the Insurance Policy or reinsurance agreement, or no later than 30 (thirty) working days since the value of the claim or benefit payment is approved by the policyholder, the insured, the participant, or the Ceding Company, whichever is shorter.
6. Determination of the value of payment of claims or benefits as referred to in paragraph (1) can be made based on: a. the results of the assessment of the Insurance Company, Sharia Insurance Company, Reinsurance Company, or Sharia Reinsurance Company; or b. the results of the assessment of the Insurance Loss Appraisal Company.
7. In the event that the determination of the value of the claim or benefit payment is made based on the results of the assessment of the Insurance Loss Appraisal Company as referred to in paragraph (2) letter b, the costs incurred shall be borne by the Insurance Broker Company or Reinsurance Brokerage Company.

Based on this explanation, the author analyzes that the responsibility of the Insurer, namely the reinsurance company against claims in Marine Hull and Machinery Insurance, is to provide protection for the rights of the insured who have been agreed upon at the time of insurance closing which has been made in a deed called a policy. Therefore, the insurer must be responsible for providing compensation due to a loss, damage or loss of expected profits that may be suffered due to an uncertain event. based on the agreed policy as long as the policy is made to fulfill the basic conditions of the agreement and fulfill the principles in the agreement.

8. In addition, based on the case of refusal to pay ship accident insurance claims, PT. Pagaruyung Lines which should be carried out by foreign reinsurance companies according to the author's analysis that here also arises the role and responsibility of insurance brokers not only covering the selection and closing, but also regarding the responsibility in handling the settlement of compensation. Reinsurance brokers must find a good reinsurance company for their customers. In the event that a claim occurs during the reinsurance coverage period, and the reinsurance

company fails to pay the claim, and this is caused by the reinsurance broker's negligence in selecting the right reinsurance company, the automatic reinsurance broker must be responsible for the negligence. The extent of the reinsurance broker's liability, namely the amount or value insured by the insurance company to the reinsurance company through the reinsurance broker. More than that, the liability must of course be followed by a series of evidences that explain that the reinsurance broker made carelessness and carelessness in selecting the reinsurance company.

This is also related to the principle of good faith from several parties who carry out the agreement in the agreement. The basis of filing an insurance claim is based on an insurance policy made based on an agreement between parties and the principle of good faith. an insurance policy made based on an agreement between parties and the principle of good faith. So that it can be interpreted that an insurance claim is an official application to the insurer, in order to ask for a number of compensation for losses based on the provisions stated in the policy or insurance agreement.

## **CONCLUSION**

1. The process of settling claims on insurance using a reinsurance mechanism for ship accidents in accordance with the case of PT Pagaruyung Prasetya Lines which has insurance coverage at PT. Ramayana Insurance as an insurance company, PT. Mandiri Internasional as an insurance broker and Marine And General Underwriting Ltd as a reinsurance company that the insurance claim settlement process with a reinsurance mechanism is carried out according to procedures and in accordance with Article 27 of the Decree of the Minister of Finance No.22/KMK.06/2003 of 2003 concerning the Implementation of Insurance Businesses and Companies Reinsurance which reads: "The insurance company must have paid the claim no later than 30 (thirty) days since there is an agreement between the insured and the insurer or certainty regarding the amount of the claim to be paid". In addition, it is also based on Article 40 of the Financial Services Authority Regulation Number 69 /Pojk.05/2016 concerning Business Conduct of Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies. In the above case, this problem arose because the reinsurance company rejected the PT Pagaruyung Lines ship accident claim that should have been given by Marine And General Underwriting Ltd to PT. Ramayana Insurance. On the basis of default on the reinsurance brokership, and claiming compensation against PT. Mandiri Internasional which should not be the party responsible for the payment of reinsurance claims, but Marine And General Underwriting Ltd which should be responsible for the settlement of insurance claims with the reinsurance mechanism.
2. Legal liability for reinsurance companies in the settlement of insurance claims as stipulated in Article 6 paragraph (2) and Article 7 of the Financial Services Authority Regulation Number 70 /POJK.05/2016. The responsibility of the Insurer, namely the reinsurance company against claims in Marine Hull and Machinery Insurance, is to provide protection for the rights of the insured who have been agreed upon at the time of insurance closing which has been made in a deed called a policy. In addition, based on the case of refusal to pay ship accident insurance claims, PT. Pagaruyung Lines which should be carried out by foreign reinsurance companies according to the author's analysis that here also arises the role and responsibility of insurance brokers not only covering the selection and closing, but also regarding the responsibility in handling the settlement of compensation. Reinsurance brokers must find a good reinsurance company for their customers. In the event that a claim occurs during the reinsurance coverage period, and the reinsurance company fails to pay the claim, and this is caused by the reinsurance broker's negligence in selecting the right reinsurance company, the automatic reinsurance broker must be responsible for the negligence. The extent of the reinsurance broker's liability, namely the amount or value insured by the insurance company to the reinsurance company through the reinsurance broker. More than that, the liability must of course be followed by a series of evidences that explain that the reinsurance broker made carelessness and carelessness in selecting the reinsurance company.

## **SUGGESTION**

1. For insurance companies and reinsurance brokers to be more careful in choosing a reinsurance company so as not to cause legal problems in the future if the insurance claim submission process is in default or is denied compensation.
2. For the parties in the insurance policy to prioritize the principle of good faith as the basis for submitting an insurance claim based on an insurance policy made based on an agreement between the parties.

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