



Life in Indonesia

MARCH 2025 EDITION

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We are pleased to present the March 2025 edition of Milliman's Indonesia Life Insurance Newsletter. This edition covers developments from 1 October 2024 to 31 December 2024.

We trust you find this edition informative. As always, we look forward to receiving your feedback, questions or comments.



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Market Performance

INDUSTRY PERFORMANCE UP TO Q3 2024

According to the Indonesian Insurance Statistics published by the Financial Services Authority (OJK), the Indonesian life insurance industry experienced a decrease in profit before tax and other comprehensive income (OCI) over 9M 2024 (relative to 9M 2023). The change over the period is summarised below:

FINANCIALS (IN IDR TRILLION)	9M 2023	9M 2024	CHANGE
Net Premium Income	111.71	111.72	0.02
Investment and Other Income	38.30	33.79	(4.51)
Total Income	150.01	145.51	(4.49)

Total Claims and Benefits	113.28	109.08	(4.19)
Commission and Acquisition Costs	14.52	14.61	0.09
Operating Expenses	15.82	16.40	0.59
Total Expenses	143.61	140.09	(3.52)

Profit/(Loss) Before Tax and OCI	6.40	5.42	(0.98)
Tax	0.98	0.88	(0.10)
Net Profit/(Loss) Before OCI	5.42	4.54	(0.87)

Total Assets	582.87	597.41	14.53
Premium Reserve	403.94	407.66	3.72
Unearned Premium Reserve	5.09	6.07	0.99
Claim Reserve	8.09	8.41	0.31
Catastrophic Reserve	0.15	0.12	(0.03)
Total Technical Reserve	417.27	422.26	4.99

Source: OJK's Indonesia Insurance Statistics: September 2023 and September 2024.

Notes:

- OCI = other comprehensive income.
- Figures may not be additive due to rounding.

Over 9M 2024, the profit before tax and OCI decreased by IDR 0.98 trillion compared to the equivalent period in 2023, mainly driven by a reduction of IDR 4.51 trillion in investment and other income as well as an increase of IDR 0.59 trillion in operating expenses, offset by a reduction of IDR 4.19 trillion in total claims and benefits.

The Indonesia Life Insurance Association (AAJI) reported that total unweighted premium income (including renewal premium) over 9M 2024 was IDR 132.27 trillion, an increase of 0.2% compared to 9M 2023. The total number of insured lives over 9M 2024 decreased by 26.2% for individuals and increased by 71.5% for groups compared to 9M 2023, resulting in an overall net increase of 44.3%.

The AAJI further reported that over 9M 2024, the life insurance industry paid total claims and benefits amounting to IDR 119.97 trillion, marking a 2.0% decrease from 9M 2023. During the same period, total health claims paid increased by 37.2%, from IDR 15.24 trillion (12.4% of total claims) to IDR 20.91 trillion (17.4% of total claims).

Market News

NEW PRODUCTS

The following new life insurance products were reported to have been launched over Q4 2024:

Traditional Products:

- PT AIA Financial (AIA)** launched **AIA Health X**, a health product providing yearly renewable coverage within Asia (excluding Singapore, Hong Kong and Japan) up to age 99. The policy includes inpatient and outpatient care, critical illness (CI) care, cash benefits for HIV/AIDS amounting to IDR 40 million, and a death benefit amounting to IDR 30 million. Two plans are available—**Essential X-Tra** and **Essential X**—with the latter requiring a 10% co-payment (capped at IDR 5 million per treatment). The annual coverage limit is IDR 5 billion, with an additional limit booster of IDR 12 billion over the policy lifetime. For treatments outside the coverage area, reimbursement rates for inpatient care are reduced to the following:
 - 30% for Hong Kong, Singapore and Japan
 - 15% for treatments worldwide (excluding Asia and the United States)
 - 10% for treatments within the United States

The policy features an X-Factor, which is a factor applied on standard premiums, starting at 100% that may increase based on claim history, accumulating annually. For annual claims between IDR 5 million and 30 million, 15% would be added to the X-Factor. For claims exceeding IDR 30 million, 30% would be added, capped at 200%. The X-Factor would not increase if the insured is under 18, annual claims are below IDR 5 million, or claims result from accidents. Discounts on the X-Factor are available through the AIA Vitality programme and provided depending on the customer's Vitality status and claim history.

- AIA** has introduced **Premier Hospital & Surgical Saver**, a health rider providing coverage up to age 70, 80 or 99. The rider covers inpatient and outpatient care, including CI care, with five available plans offering a range of benefit limits and geographical coverage. Policyholders will have a co-payment of 20% for each claim, subject to a per-treatment limit of IDR 4 million in Asia (excluding Singapore, Japan and Hong Kong) and IDR 25 million for Singapore, Japan Hong Kong, and the rest of the world. The rider also features a family plan benefit, offering a 5% premium discount for each additional family member insured. Furthermore, a no-claim bonus is available,

- adding 5% annually (up to 50%) to the hospital room charge limit.
- **PT Asuransi Allianz Life Indonesia (Allianz) and PT Bank HSBC Indonesia (Bank HSBC)** launched **Income Payout Protector**, a guaranteed issuance offer (GIO) 5-pay 10-year conventional endowment product. The insured entry age is between 1 month and 65 years old, with annual premiums ranging from IDR 50 million to IDR 500 million. Upon death within the first two years, 102% of total premium paid will be returned. Upon death within the next three years, 120% of total premium paid will be returned. Upon death from the sixth year onwards, the sum assured will be paid out. Upon accidental death, the death benefit will be doubled. Guaranteed cash benefits will be paid out to in-force policies every year starting from the first up to the ninth policy anniversaries, each amounting to 8% of annual premium. Upon maturity, 110% of total premium paid will be returned.
 - **PT Asuransi Allianz Life Syariah Indonesia (Allianz Syariah) and PT Bank Maybank Indonesia Tbk (Maybank)** have introduced **MyProtection Waris Syariah**, a full-underwriting Syariah endowment with a non-guaranteed savings component in the participant's investment fund, providing cover to age 86 with limited (5-/10-/15-/20-pay) or regular contribution term options. The minimum sum assured is IDR 100 million, with a minimum annual contribution of IDR 3 million. In the event of natural death, beneficiaries receive 200% of the sum assured along with the participant's investment fund value. For accidental death before age 70, 100% of the sum assured will be added, unless the accident occurs on public transportation or during the Hajj pilgrimage, where 200% or 300% of the sum assured will be added respectively. In cases of critical illness diagnosis, 100% of the sum assured is paid without terminating the policy and contribution payments. Upon maturity, the participant's investment fund value is paid out.
 - **Allianz Syariah and PT Bank SMBC Indonesia Tbk (Bank SMBC)** has launched **Guardia Rencana Syariah**, an 8-pay 18-year term life product with a GIO up to prescribed sum assured limits. The maximum entry age is 55, and the minimum sum assured is IDR 75 million. If the insured dies within the first two policy years, 105% of the total premiums paid will be refunded and the policy terminates. Upon death from the third year onwards, 100% of the sum assured will be paid out, and the policy will remain in force with all future contributions waived until the 11th policy anniversary, where the participant's investment fund value is paid and the policy terminates. The death benefit is doubled for accidental deaths. Upon survival until the 11th policy anniversary, the participant's investment fund value will be paid out, and the policy will remain in force. Upon survival until maturity, an additional 60% of the sum assured will be paid, and the policy terminates.
 - **PT Asuransi Jiwa Syariah Kitabisa (Asuransi Kitabisa)**, a new local digital-only Syariah life insurer, launched **Asuransi Saling Jaga Keluarga**, an affordable term life product with annual contributions starting from IDR 61,500 and monthly, quarterly, semi-annual or annual contribution frequency options. The coverage term is either one or two years, automatically renewable up to age 65. The contribution term follows the coverage term. Upon death, 100% sum assured will be paid, ranging from IDR 50 million up to IDR 2 billion. The product is available with a simplified issuance offer (SIO).
 - **PT AXA Mandiri Financial Services (AXA Mandiri)** launched **Asuransi Mandiri Masa Depan Sejahtera**, a 2-/4-/8-pay endowment product offering coverage from seven to 20 years depending on the premium term selected. The minimum annual premium varies depending on the premium term: IDR 250 million for 2-pay, IDR 9.6 million for 4-pay and IDR 4.8 million for 8-pay. The maturity benefit is selected by the policyholder according to their needs, and the sum assured (as a funeral allowance) is calculated as 10% or 15% of the maturity benefit depending on the premium term selected. There are two available plans: **Maksima** and **Optima**. For **Maksima**, the sum assured is paid out upon death with all future premiums (if any) waived and the policy remaining in force until the payment of the maturity benefit. For **Optima**, the death benefit amounts to the total premiums paid or the sum assured plus an additional lump-sum cash benefit (whichever is higher), and the policy terminates upon death with the maturity benefit only payable upon survival.
 - **PT Asuransi Jiwa BCA (BCA Life)**, in partnership with **PT Bank Central Asia Tbk (BCA)**, has launched **Safety Guard Critical Cover**, a protection product that is yearly renewable up to age 84 with monthly premiums starting at IDR 475,500 and sum assured ranging from IDR 500 million to IDR 2 billion. Key benefits include payouts for angioplasty (25% of the sum assured or IDR 250 million, whichever is lower, payable once), Intensive Care Unit (ICU) hospitalisation for CI (50% of the sum assured or IDR 250 million, whichever is lower, payable once), and minor CI (25% of the sum assured, claimable twice for distinct minor CIs, capped at 50%), all without terminating the policy. For major CI or death, 100% of the sum assured less any prior claims is paid and the policy terminates. Additionally, for every 10 years of renewal, the no-claim bonus feature refunds 100% of premiums paid if no claims are paid throughout the 10-year period.
 - **PT Chubb Life Insurance Indonesia (Chubb Life)** launched **Premier MyLife Time Protection**, a full-underwriting 5-/15-/20-pay whole-of-life product available in IDR for insured entry age between 1 month and 60 years old. The minimum sum assured for this product is IDR 100 million. In the event of natural death, the full sum assured will be paid (subject to juvenile lien clause), increasing to 150% from the sixth year onwards. In the event of accidental death, an additional 200% of the sum assured will be paid. Upon maturity, 200% of the sum

- assured will be paid. From age 70 to 99, policyholders will receive annual survival benefits, each amounting to 15% of the annual premium.
- **PT Equity Life Indonesia (Equity Life) and PT Bank Pembangunan Daerah Bali (Bank BPD Bali)** launched **Bali Dwipa Multi Protection**, a 5-/10-/15-/20-pay whole-of-life product available in IDR for insured entry age between 1 month and 60 years old. In the event of natural death or upon maturity, 100% of the sum assured will be paid. Upon CI diagnosis before age 70, an additional 100% of sum assured will be paid out without terminating the other coverages, except for angioplasty where only 10% of the CI benefit will be accelerated. Upon total permanent disability (TPD) before age 70, all future premiums will be waived. Optional rider options include a sum assured booster and payor benefits.
 - **PT FWD Insurance Indonesia (FWD)** has introduced **FWD Tomorrow Protection**, a 3-/5-/10-pay IDR-denominated endowment product available in two options: **Basic** and **Optimal**, with various policy term options available depending on the plan and premium term selected, ranging from eight to 21 years. The **Basic Plan** pays out a lump sum cash payment only at maturity, while the **Optimal Plan** provides a lump sum cash payment before maturity followed by regular cash payments up to maturity. The timing and amounts of the cash payments vary depending on the selected plan, premium term and policy term. All cash payment amounts are calculated as a percentage of the total basic premiums paid. In terms of death benefits, the product pays out the higher of the sum assured and the maturity benefit, except if an **Optimal Plan** policyholder dies after the lump sum cash payment, where only the higher of 50% of the sum assured and the remaining cash payments will be paid. Both plans pay out an extra 100% of the sum assured upon accidental death before age 75. Furthermore, waiver of premium riders are available for both the insured and the payor.
 - **PT Great Eastern Life Indonesia (Great Eastern Life)**, in collaboration with **PT Bank OCBC NISP Tbk (Bank OCBC)**, has introduced **Great Prestige Optima Protector**, a full-underwriting IDR single premium whole of life product with a minimum single premium of IDR 50 million and sum assured ranging from 150% to 500% of the single premium. The product features guaranteed fixed return rates for either the first three or five policy years, as chosen by the policyholder, after which the returns will be non-guaranteed. Partial withdrawals, subject to charges and limits, are allowed from the third policy year onwards. After the guaranteed return period, withdrawals will reduce the sum assured but no longer subject to charges. Upon death, the higher of the sum assured and the fund value will be paid, while at maturity, the fund value will be paid.
 - **PT Panin Dai-ichi Life (Panin Dai-ichi Life)** has launched **Panin Health Guard Plus** and **Panin Flexi Health Plan**, health insurance products offering yearly renewable coverage up to age 99. Both products are identical but sold through different distribution channels, with **Panin Health Guard Plus** sold through agency and **Panin Flexi Health Plan** sold through bancassurance. Benefits include inpatient care, outpatient care, daily cash benefits and funeral benefits. There are six available plans, offering a range of geographical coverage and benefit limits. The products include a premium multiplier feature, where a premium multiplier (one of three tiers: 1x, 1.25x and 1.50x) is applied, commensurate with claim history. Policyholders may move across tiers annually based on the approved claims from the most recent observation year. Additionally, there is a 'no-claim discount' feature, which offers an annual premium discount (one of 5%, 10% and 15%) for the current policy year, provided that the multiplier tier in the previous policy year was 1x and there were no approved claims from the policy in the most recent observation period.
 - **PT Prudential Sharia Life Assurance (Prudential Syariah)** has introduced **PRUCritical Amanah**, a full-underwriting 5-/10-/15-pay whole-of-life product with two product variants, **Plan Basic** and **Plan Plus**. Both variants offer comprehensive protection benefits with a minimum monthly contribution of IDR 500,000 and a minimum sum assured of IDR 100 million. For angioplasty and other invasive heart procedures, 10% of the sum assured is paid (up to IDR 200 million) without reducing other benefits. The early-stage CI benefit accelerates 25% of the sum assured, capped at IDR 1 billion, and waives all future contributions. For late-stage CI or death, 100% of the sum assured (less any prior early-stage CI claims paid) is paid and the policy terminates. For **Plan Basic**, all coverages cease at age 85 except for the death benefit, while **Plan Plus** matures at age 85 and pays out 100% of the sum assured (less any prior early-stage CI claims paid).
 - **PT Sun Life Financial Indonesia (Sun Life)** in collaboration with **PT Bank CIMB Niaga Tbk (Bank CIMB)** has launched the USD variant of **X-Tra Proteksi Cermat**, an existing 5-pay 10-year endowment product with annual premium starting from USD 3,000. The sum assured is six times the annual premium for insureds up to age 60, and 5.5 times the annual premium for insureds above age 60. In the event of death, the higher of 100% of the sum assured or 110% of the surrender value will be paid. Upon maturity, 115% of the total premium paid will be returned, compared to 120% in the existing IDR variant of this product.

Unit-linked Products:

- **PT Asuransi Jiwa Astra (Astra Life)** has launched **AVA Asya Hasanah Proteksi**, a Syariah regular contribution whole-of-life product available through **PT Bank Permata Tbk (Bank Permata)** with annual basic contributions starting from IDR 6 million. In the event of death or terminal illness, 100% of the sum assured and fund value will be paid out. For total permanent disability (TPD) before age 65, if the TPD benefit is less than the death or terminal illness benefit, the TPD benefit will accelerate the other benefits and the policy will remain in force. However, if the TPD benefit equals the death or terminal illness benefit, the full benefit will be paid, and the policy will terminate. A 50% extra sum assured (capped at IDR 2 billion) is added for death during Ramadan before age 65. From year 6 onwards, a booster benefit is offered annually, with the company contributing 5% of the first-year annual contribution to the fund value. Upon maturity, the fund value will be paid out. Additional riders for accidental death, CI, and waiver of premiums are available.

Microinsurance Products:

No new microinsurance products were reported to have been launched over Q4 2024.

OTHER NEWS

- **PT Asuransi Jiwa Manulife Indonesia (Manulife)** has officially obtained a Syariah business license for **PT Asuransi Jiwa Manulife Indonesia Syariah (Manulife Syariah)**. This new entity will take over policies previously managed by **Manulife's** Syariah business unit.
- **PT PFI Mega Life Insurance (PFI Mega Life), PT Asuransi Simas Jiwa (Simas Jiwa), PT Asuransi BRI Life (BRI Life), Sun Life and AIA** have announced plans to spin off their Syariah business units by establishing a new Syariah insurance company. Apart from **AIA**, these companies have received approval for their Syariah Business Unit Separation Plan (RKPUS) from the Financial Services Authority (OJK). **BRI Life's** spin-off is targeted to take place from January to September 2026, **PFI Mega Life's** spin-off is targeted to complete at the end of 2026, and **Sun Life's** and **AIA's** spin-off is expected to complete by the fourth quarter of 2026.
- **Chubb Life, PT Avrist Assurance (Avrist) and Great Eastern Life** have announced their plans to separate their Syariah units through a portfolio transfer mechanism to another Syariah life insurance company licensed by OJK. All these companies have received approval from the OJK on their RKPUS. **Avrist's** transfer process is expected to be completed by the second quarter of 2026.
- Indonesia's crowdfunding platform, **PT Kita Bisa Indonesia (Kitabisa)**, has entered the insurance sector with the establishment of **Asuransi Kitabisa**, a Syariah-compliant subsidiary, holding an ultimate stake of 95%. Aiming to address the country's low insurance penetration, **Asuransi Kitabisa** leverages digital technology to enhance accessibility and transparency. Its platform enables users to track funds, beneficiary information and claims in real time, reflecting its adherence to Syariah principles and commitment to good governance.
- **Manulife** has launched **Manulife ID**, a rebranding of its digital customer service platform, formerly known as **MiAccount**, to enhance its digital insurance services. **Manulife ID** is now accessible via both a website and a user-friendly mobile app. This upgrade aims to provide customers with a more seamless and efficient digital experience.

Regulatory Developments

NEW REGULATIONS OVER Q4 2024

- On 3 December 2024, the OJK issued a new regulation, **POJK 22/POJK.05/2024 on Periodic Reporting Requirements for Insurance and Reinsurance Companies**, accompanied by a circular letter, **SEOJK 23/SEOJK.05/2024** (issued on 24 December 2024) on the **Format and Structure of Periodic Reports for Insurance and Reinsurance Companies**, which details the format, structure and changes introduced by **POJK 22/POJK.05/2024**. Both the regulation and the circular letter became effective on 1 January 2025. These regulations aim to enhance transparency, efficiency and accountability, as well as strengthen industry oversight by standardising reporting formats, ensuring consistency and facilitating easier analysis. They also specify key report components, including financial statements, risk management disclosures, investment details and corporate governance practices, while establishing clear submission deadlines for timely monitoring and intervention.
- In addition to **SEOJK 23/2024** defining reporting formats, the circular letter also includes guidelines for determining actuarial assumptions for IFRS 17 reporting, covering aspects such as definitions of discount rates, risk adjustments, fulfillment cash flows, levels of aggregation, attributable costs and coverage units.
- The circular letter also includes revisions to key aspects for the calculation of technical reserves and minimum risk-based capital requirements. For technical reserves, discount rate assumptions on a best-estimate basis used in calculating the premium reserves should be based on the yield on government-issued securities at the reporting period. Meanwhile, for minimum risk-based capital requirements backing liquidity risk, all admissible assets (AYD), including tradable securities measured at market value (such as bonds, Syariah-compliant debt securities or medium-term notes), are now classified based on their remaining tenor. These updates aim to enhance financial stability and ensure alignment with market conditions.

FORTHCOMING REGULATIONS

- The OJK issued a draft **OJK Circular Letter (SEOJK)** on health insurance products on 16 January 2025. The circular aims to improve and refine the current health insurance marketing practices, to keep health insurance premiums affordable and the life insurance industry sustainable. The draft SEOJK outlines several key points, including eligibility requirements for companies to be able to market health insurance products. It also establishes competence standards, such as requiring database support for the appropriateness of medical services provided, as well as integrated health information systems to track medical records and medical claims paid.
- Additionally, the draft SEOJK reviews product benefits, including hospital cash plans, co-payment mechanisms for specific benefits, and the Coordination of Benefit (CoB), whereby **Badan Penyelenggaraan Jaminan Sosial Kesehatan (BPJS Kesehatan)**, Indonesia's national health insurance programme for its citizens will act as the primary payer, covering claims up to its benefit limits, while private insurance companies will serve as secondary payers, covering remaining costs per policy terms and conditions. The draft SEOJK also plans to introduce a minimum 10% co-payment requirement for outpatient benefits, an acquisition expense cap of 10% of premiums or contributions, as well as mandatory medical check-ups (MCU) for individual policies (except for microinsurance products). For group policies, the draft SEOJK outlines plans to impose stricter underwriting and reporting requirements. The draft circular also highlights public health education initiatives across different life stages to help mitigate future medical needs.

Distribution Updates

AGENCY CHANNEL

The following new agency developments have been reported in the media over Q4 2024:

- **Manulife** opened two new marketing offices, one in Banten and another in Surabaya.
- **FWD** opened a new marketing office in Medan.

BANCASSURANCE CHANNEL

The following new bancassurance partnerships and developments were reported in the media over Q4 2024:

- **Astra Life** and **PT Bank Jasa Jakarta (BJJ)** have officially launched a bancassurance partnership, introducing **AVA Proteksi Pelita**, a regular premium 10-year term life insurance product with an optional 100% premium refund. The annual premium ranges from IDR 300,000 to IDR 5 million, with a sum assured between IDR 10 million and IDR 400 million. Benefits include 100% of the sum assured for natural death and 200% for accidental death. Additionally, emergency outpatient treatment costs due to an accident are reimbursed amounting up to 5% of the sum assured, capped at IDR 20 million.

- **PT MNC Life Assurance (MNC Life)** has officially announced a strategic partnership with **PT Bank Perekonomian Rakyat Dassa (Bank Dassa)** to launch a credit life insurance programme. This collaboration aims to provide comprehensive protection for **Bank Dassa's** credit customers. The programme ensures the settlement of any outstanding credit in the event of the customer's death or permanent disability before the credit obligation is fully repaid.
- **PT Asuransi Jiwa IFG Life (IFG Life)** has partnered with **PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat (Bank Sulselbar)** to offer credit life insurance products for the bank's mortgage and multipurpose loan customers.
- **Chubb Life** and **PT Bank DKI (Bank DKI)** have collaborated to provide life insurance protection for customers of the bank's 'Tabungan Monas Rencana' savings programme. Under this collaboration, customers automatically receive life insurance coverage without paying additional premiums, as the premiums are covered by **Bank DKI**. **Chubb Life** sees this partnership as a strategic move to expand its offerings with reliable and innovative insurance products in the future.
- **Sun Life** has formed a bancassurance partnership with the Syariah business unit of **PT Bank Tabungan Negara Tbk (BTN)**. The partnership was launched with the introduction of **Salam Berkah Amanah**, an SIO 5-/10-pay 10-/15-/20-/25-year Syariah traditional endowment product with a maximum entry age of 55 years. The sum assured is calculated as a multiple of the annual contribution, with the multiplier ranging from 5 to 60 depending on the contribution term and policy term selected. Upon death, 100% of the sum assured, the participant's investment fund value, and an additional IDR 10 million will be paid out and the policy terminates. For deaths during Ramadan or Hajj pilgrimage, an additional 100% of sum assured will be paid out. Upon maturity, the participant's investment fund value along with a 'Hibah' benefit will be paid out. The 'Hibah' benefit is calculated as a multiple of the annual contribution, with the multiplier ranging from 275% to 875% depending on the contribution term and policy term selected.

OTHER CHANNELS

The following new developments have been reported in the news over Q4 2024.

- **Avrist** has partnered with a local insurtech company, **PT Fuse Digital Indonesia (Fuse)** to market its individual term life insurance product, **MyLife Cover**. The product offers a single-premium one-year coverage with death, grief, TPD and daily hospitalisation cash benefits. The product provides three plan options, each differing in premium and benefit amounts. For the Silver plan, the death, grief and TPD benefits are IDR 10 million each. The Gold plan offers IDR 25 million for each benefit, while the Platinum plan provides IDR 50 million. Both the death

benefit and the grief benefit will be paid out upon death of the insured. The hospitalisation cash benefit ranges from IDR 500,000 to IDR 1 million per day, depending on the chosen plan. This benefit is capped at a maximum of seven days per hospitalisation and a maximum of 10 days per year. The single premium ranges from IDR 110,000 to IDR 300,000.

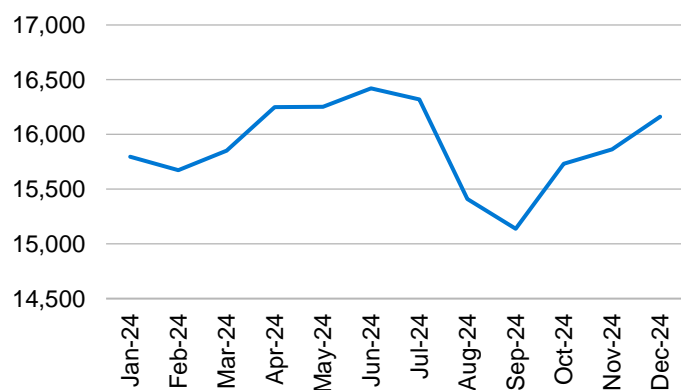
- **PT Hanwha Life Insurance Indonesia (Hanwha Life)** has launched **MyVitamine.co.id**, a new distribution and sales channel designed to enable Indonesians to easily purchase Hanwha Life’s digital insurance products directly on the platform.
- **Great Eastern Life** has partnered with two healthcare service providers, **PT Sarana Meditama Metropolitan Tbk (EMC Healthcare)** and **PT Famon Awal Bros Sedaya Tbk (Primaya Hospital)**, to introduce the **Greathealth+** programme. This programme aims to provide customers with seamless access to dual benefits from Great Eastern Life and BPJS Kesehatan. Through a cost-sharing mechanism, customers can efficiently utilise healthcare services, reduce financial burdens and still receive high-quality medical care.

Other Recent Developments

MACROECONOMICS

The graph below shows the Indonesian rupiah (IDR)-US dollar (USD) exchange rate over the past 12 months.

USD TO IDR EXCHANGE RATES



Source: Bank Indonesia Mid Rates.

In December 2024, the rupiah showed a depreciating trend, with a decline of 1.84% compared to November 2024. According to Bank Indonesia (BI), the depreciation was influenced by heightened global uncertainty, a strong US dollar and escalating geopolitical risks. As at 17 December 2024, the rupiah had weakened by 4.16% over the calendar year, a smaller decline compared to the Taiwanese dollar, Philippine peso and South Korean won.

According to BI’s December 2024 edition of the Monetary Policy Review, BI continues to optimise pro-market monetary instruments to strengthen rupiah stability, achieve the inflation target and attract foreign capital inflows. Bank Indonesia Rupiah Securities (SRBI) issuances have attracted significant non-resident participation, supporting rupiah stability. The introduction of Primary Dealers in May 2024 has enhanced secondary market transactions and repo activities, improving the effectiveness of monetary instruments. BI remains focused on expanding these instruments with attractive yields to enhance policy transmission and deepen the money market and the foreign exchange market.

Additionally, digital economic and financial transactions remained robust in November 2024, supported by secure and reliable payment systems. Quick Response Code Indonesia Standard (QRIS) transactions experienced exceptional growth, driven by a growing number of users and merchants. Meanwhile, ATM/debit card transactions declined, while credit card transactions increased. Total currency in circulation also grew by 11.9% year-on-year (y/y) as at the end of November 2024.

Indonesia’s economic growth, measured by the gross domestic product (GDP), was expected to be between 4.7% and 5.5% in 2024, with a slight increase to between 4.8% and 5.6% in 2025. The economy is supported by strong domestic demand, with investment growth driven by national strategic projects and government incentives. Household consumption remains strong, helped by consumer confidence and the local elections, while government spending is rising towards the end of the year. Non-oil and gas exports, however, are expected to slow down due to the weak global economy. Key sectors contributing to growth include manufacturing, construction and trade. To keep the economy growing, BI is enhancing its policies alongside government spending, with additional support for digital payment growth and structural reforms focused on labour-intensive sectors.

Inflation remains low and within the 2.5% ± 1% target range, with November 2024 consumer price index (CPI) inflation at 1.55% y/y. Core inflation was 2.26% y/y, while volatile food prices recorded a deflation of 0.32% y/y, supported by increased food supply and effective management by the Central and Regional Government Inflation Control (TPIP and TPID) teams. BI expects inflation to stay under control within the target range, supported by strong domestic demand, rupiah stability, low imported inflation, digitalisation and continued synergies between BI and the government in controlling inflation. BI is committed to maintaining effective monetary policy to keep inflation within the 2.5% ± 1% target range in both 2024 and 2025 and to sustain economic growth.

With these goals in mind, the BI Board of Governors Meeting in December 2024 agreed to keep the BI rate at 6.00%, with the deposit facility (DF) and lending facility (LF) rates at 5.25% and 6.75%, respectively.

As per SEOJK No. 27/SEOJK.05/2017 and SEOJK No. 28/SEOJK.05/2017, the maximum discount rate assumption allowed in determining the premium reserves is the Indonesia Bond Pricing Agency (IBPA) published average yield of securities issued by the Indonesian government for the prior 12 months, plus an additional of maximum 0.5%. The table below shows the derivation of the maximum discount rates as at 31 December 2024.

Starting from 1 January 2025, SEOJK No. 23/SEOJK.05/2024 will be effective, which supersedes the guidance on discount rates provided in SEOJK No. 27/SEOJK.05/2017. As per the upcoming regulation, discount rate assumptions on a best-estimate basis used in calculating the premium reserves should be based on the yields on government-issued securities at the reporting period.

IDR			IDR		
TENOR	AVERAGE OF LAST 1 YEAR	AVERAGE OF LAST 1 YEAR + 0.5%	TENOR	AVERAGE OF LAST 1 YEAR	AVERAGE OF LAST 1 YEAR + 0.5%
1	6.37	6.87	16	7.01	7.51
2	6.53	7.03	17	7.02	7.52
3	6.61	7.11	18	7.03	7.53
4	6.66	7.16	19	7.04	7.54
5	6.71	7.21	20	7.05	7.55
6	6.75	7.25	21	7.05	7.55
7	6.79	7.29	22	7.06	7.56
8	6.82	7.32	23	7.06	7.56
9	6.86	7.36	24	7.06	7.56
10	6.89	7.39	25	7.07	7.57
11	6.92	7.42	26	7.07	7.57
12	6.94	7.44	27	7.07	7.57
13	6.96	7.46	28	7.07	7.57
14	6.98	7.48	29	7.07	7.57
15	7.00	7.50	30	7.07	7.57

Source: Milliman calculations based on IBPA.

Solutions for a world at risk™

Milliman leverages deep expertise, actuarial rigor, and advanced technology to develop solutions for a world at risk. We help clients in the public and private sectors navigate urgent, complex challenges—from extreme weather and market volatility to financial insecurity and rising health costs—so they can meet their business, financial, and social objectives. Our solutions encompass insurance, financial services, healthcare, life sciences, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

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