

# Indonesia in focus

## What's new in non-life

APRIL 2025 EDITION

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We are pleased to share our half-yearly newsletter focused on the non-life insurance market in Indonesia. This edition covers developments during the period from 1 July 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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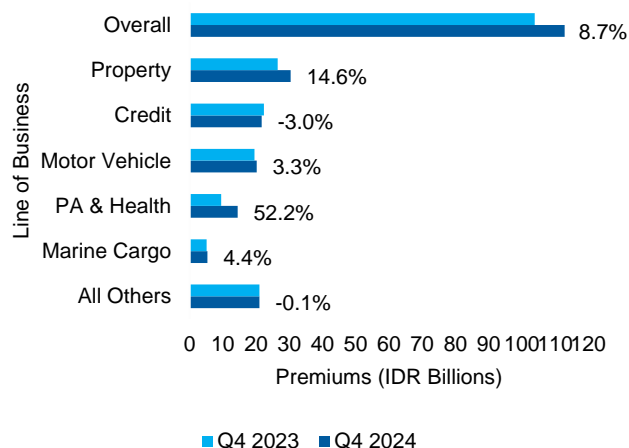


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## Market performance

### CONVENTIONAL INDUSTRY GROWTH AT Q4 2024

#### Gross Written Premium (IDR Billions) and Percentage Growth (%)



Notes: (1) PA—Personal Accident. (2) Only the top five lines of business are shown individually in the chart above.

Source: General Insurance Association of Indonesia (AAUI)

### YOY CONVENTIONAL GENERAL INSURANCE PERFORMANCE

FINANCIALS (IN IDR BILLIONS)	DEC. 2023	DEC. 2024	% CHANGE
GROSS WRITTEN PREMIUM	111,398	117,706	5.7%
NET EARNED PREMIUM	61,963	48,210	-22.2%
OTHER UNDERWRITING INCOME	108	52	-52.2%
INVESTMENT INCOME	6,204	7,433	19.8%
TOTAL INCOME	68,275	55,695	-18.4%
NET LOSS INCURRED	34,737	41,609	19.8%
OTHER UNDERWRITING EXPENSE	1,268	1,387	9.4%
OPERATIONAL EXPENSE	17,870	18,981	6.2%
NET COMMISSION	5,395	5,824	8.0%
TOTAL EXPENSE	59,270	67,802	14.4%
UNDERWRITING PROFIT	9,005	-12,107	-234.5%
NET LOSS RATIO	56.1%	86.3%	30.2%
EXPENSE RATIO (INCLUDING COMMISSION)	37.5%	51.5%	13.9%
EXPENSE RATIO	28.8%	39.4%	10.5%
NET COMMISSION RATIO	8.7%	12.1%	3.4%
NET COMBINED RATIO	93.6%	137.8%	44.2%

Source: Financial Services Authority (OJK)

- Overall premiums in Q4 2024 increased by 8.7% year over year (YOY). This was mainly driven by strong growth in Health followed by Property and Motor Vehicle.
- Property premiums continued to increase due to the development of residential properties and the sustained demand for property rentals. The growth was also marginally supported by the increase in property prices, which reflected a 1.4% YOY increase in residential property price index (RPPI).
- The decrease in Credit insurance premiums may be partially attributed to the implementation of POJK Nomor 20 Tahun 2023, which introduced a risk-sharing arrangement between insurers and creditors, requiring creditors to bear at least 25% of the risk.
- Health insurance premiums rose due to Indonesia's substantial increases in medical costs and premium rates.
- Motor vehicle continued to grow in 2024, though premium growth slowed to 3.3% from 7.4% in 2023. This was driven by a weaker automotive market in Indonesia, influenced by factors such as import restrictions and lower consumer purchasing power.
- The overall net combined ratio worsened compared to the same period last year, primarily due to a significant increase in the net loss ratio (about 32.8% point). The higher loss ratio appears to be mainly driven by Credit insurance.

## Market news

### NEW PRODUCTS

- PT Asuransi Kredit Indonesia (Askrindo) has launched Asuransi Mikro Usahaku to support micro, small and medium enterprises (MSMEs) by offering protection against risks including fires, stove or gas explosions, riots, and various natural disasters. With annual premiums starting from IDR 40,000, the insurance offers financial compensation up to IDR 5 million for permanent businesses and IDR 2.5 million for mobile businesses. This affordable, comprehensive insurance aims to protect various business setups, including stalls and kiosks, ensuring that MSMEs across Indonesia are better safeguarded against potential losses.
- PT Asuransi Umum Mega (Mega Insurance) and PT Asuransi MSIG Indonesia (MSIG Indonesia) have introduced M-Assist, a travel insurance product that offers comprehensive coverage for both domestic and international trips. This partnership provides protection against personal accidents, trip cancellations and emergency medical expenses, including coverage for COVID-19. Additionally, claims are processed efficiently within 10 business days. Under the supervision of OJK, Mega Insurance assumes 51% of the risk, with MSIG Indonesia covering 49%.

- MSIG Indonesia has partnered with Castrol Indonesia, Zensung Singapore Pte Ltd and PT Bank Standard Chartered Indonesia to launch Castrol Protect, a program offering free PA insurance to motorcyclists. With each purchase of Castrol motor oil products like Castrol POWER1 ULTIMATE, Castrol POWER1 and Castrol ACTIV, consumers can receive a 30-day PA cover of up to IDR 10 million per claim by scanning a QR code at participating workshops and completing the process on the official Castrol Protect website. This initiative aims to enhance motorcyclist safety and raise awareness about the importance of insurance among riders in Indonesia.
- PT Asuransi Tokio Marine Indonesia (Tokio Marine Insurance) has introduced UKM Partner insurance, specifically designed to meet the needs of MSMEs. This innovative product offers flexible coverages and limits, allowing businesses to choose options that best suit their needs and budget. UKM Partner insurance provides coverage across eight categories of occupancy, with each category available in two plans: basic and complete. The comprehensive range of protections include property all risk, temporary accommodation, and safe deposit and cash in transfer protection. Additionally, it offers unique features such as stock deterioration and electronic equipment protection. This one-year insurance has premiums based on sum insured, type of occupation and other factors.
- Oona Insurance Indonesia (Oona Insurance) has introduced its first critical illness insurance, covering all stages of cancer, stroke and heart attack. The insurance is available online through the MyOONA.id website or via an Oona Insurance agent, with premiums starting at IDR 5,500 per month. It is available to customers aged 17 to 65, offering protection for all three illnesses or protection for any individual illness, with an option to extend up to age 70. With no medical exams or records required, only four questions need to be answered to purchase and select a coverage amount between IDR 100 million and IDR 500 million. Various payment methods are available, including 0% interest instalments via credit card from multiple banks.
- PT BRI Asuransi Indonesia (BRINS) has entered into a strategic partnership with PT Bank Pembangunan Daerah Jawa Timur Tbk (Bank Jatim) to expand its insurance services in East Java. This collaboration focuses on bancassurance products, specifically Motor Vehicle and Fire insurance, utilising a reference business model aligned with banking products. This partnership reflects BRINS' commitment to broadening its market reach in East Java, expressing confidence in Bank Jatim as an ideal business collaborator. The collaboration aims to enhance market reach and optimise digital services via the BRINS mobile app.
- PT Asuransi Untuk Semua (TAP Insure) has formed a strategic partnership with PT Moladin Finance Indonesia (MOFI), a financing company focusing on MSMEs and electric vehicles (EVs), to enhance access to Motor Vehicle and Property insurance for MOFI customers. This collaboration offers coverage for four-wheeled vehicles, including EVs, as well as Property insurance for both residential and commercial buildings.
- Mega Insurance has formed a strategic partnership with PT Fintek Karya Nusantara (LinkAja) to expand its access to digital insurance services. This collaboration allows LinkAja users to directly purchase Mega Insurance products, including Total Loss Only Car Insurance, Mega Travel Care International, Mega Travel Care Domestic, and Home Insurance, via the LinkAja app. Premiums range from IDR 30,000 up to IDR 215,000. This partnership is expected to enhance insurance inclusion in Indonesia by leveraging digital technology, making insurance services more accessible to the public.

## INSURTECH

- TAP Insure has collaborated with PT Wahana Sejahtera Indonesia (WSI) to offer extended warranty and engine warranty insurance. With annual premiums starting from IDR 2 million, this product provides coverage up to five years beyond the factory warranty and has additional benefits, including temporary car replacement, roadside assistance and 24-hour customer service.
- PT PasarPolis Indonesia (PasarPolis) has expanded its strategic collaboration with PT GoTo Gojek Tokopedia Tbk (GoTo) to provide integrated insurance solutions across its platform. This partnership covers a range of insurance products, including SafeTrip for travel protection when using Gojek's mobility services, package delivery insurance for GoSend, large-scale goods insurance for GoBox, and business-to-business-to-consumer delivery service coverage for GoKilat. All these products are seamlessly integrated into PasarPolis' full-stack ecosystem, backed by TAP Insure, an Indonesian digital insurance provider that serves as the underwriter.

## DISTRIBUTION CHANNEL

- PT Bahtera Wahana Tritata (BWT), an insurance brokerage firm, has partnered with MSIG Indonesia and the e-commerce platform Shopee to provide protection for purchases made during their major campaigns. This initiative includes free PA insurance and product side effect protection with the purchase of beauty products. The complimentary PA insurance will be available to the first 9,000 Shopee buyers, offering coverage for up to 14 days and including benefits for accidental death. Additionally, the first 10,000 buyers of beauty products will receive 100% cash back on the product side effects, a Shopee feature that safeguards against adverse effects from products, with coverage lasting for six months.

- PT Zurich Asuransi Indonesia has partnered with Blink Parametric, a global insurtech specializing in parametric insurance, to launch FlyEasy, a flight disruption assistance service that provides real-time support for passengers. Available for executive and premier international travel plans, FlyEasy enables customers to preregister their flights via the Zurich Edge platform for automatic delay monitoring. If a flight is delayed by two hours, customers receive instant benefits such as VIP lounge passes, valid for up to six months if unused, without needing to file a claim or take any additional steps.

## OTHER INSURER INITIATIVES

- GoTo has launched GoPay Asuransi, an affordable health insurance service in partnership with PT Proteksi Digital Pialang Asuransi, an insurance brokerage company, and Oona Insurance. This new feature enables users to easily purchase health insurance through their GoPay application. GoPay Asuransi provides comprehensive health services, including inpatient, ICU, outpatient and dental care, with premiums starting at IDR 60,000 per month, and is accepted at more than 1,300 hospitals and clinics across Indonesia.
- Asosiasi Asuransi Umum Indonesia (AAUI) and the General Insurance Association of Korea signed a memorandum of understanding (MoU) to strengthen cooperation between the two countries' insurance sectors. The agreement focuses on international business development, AI technology adoption, workforce improvement and technical knowledge exchanges, including International Financial Reporting Standards (IFRS) implementation. Korea views Indonesia's growing market as an opportunity for collaboration, benefitting both nations' insurance industries through shared expertise and enhanced standards.
- Askrindo has partnered with Seoul Guarantee Insurance (SGI) to strengthen the insurance industry in Indonesia and expand internationally. The agreement, signed on 26 November 2024, focuses on collaboration in surety bonds. This partnership will facilitate business growth and information exchange in underwriting, reinsurance and guarantees between Indonesia and Korea. In the span of three years, this collaboration aims to support Korean companies operating in Indonesia by providing both surety bond services and general insurance protection. Askrindo views this partnership as a strategic move to enhance its business and contribute to Indonesia's national economy, with both parties anticipating mutual benefits from the venture.
- TMI has reintroduced Tiga Berlian Protection Insurance, designed specifically for Mitsubishi vehicle owners. Claims processes can be done online via the Tokio Klik app, and coverages include emergency roadside assistance (ERA) for travel-related emergencies, cost of key loss and a "new-for-old" guarantee to replace at the value of a new car. Additional features include official workshop repairs with original parts, on-site third-party claims processing, transportation allowance during repairs and the Sister Car Clause, which provides coverage for accidents between insured vehicles under the same owner or management.
- PT Asuransi Tri Pakarta (TRIPA) has launched three new digital services to enhance customer experience: WhatsApp Business, an omnichannel system and agency services on TRIPA Smart. WhatsApp Business provides real-time customer support with an AI chatbot that responds to various needs, including product inquiries. The omnichannel system integrates all TRIPA communication channels, including Instagram, Facebook, X (Twitter), email and messages on the TRIPA Smart platform. Additionally, TRIPA Smart now includes features for insurance agents, enabling them to easily sell products, improve sales performance and streamline the policy purchase process.
- BRINS has partnered with PT Permodalan Nasional Madani (PNM) to educate 60 ultra-micro business owners in the PNM Mekaar program about insurance. The goal is to help these businesses protect their assets and stay productive. This initiative supports the National Financial Intelligence Movement during the 2024 Financial Inclusion Month, led by OJK and the National Council for Financial Inclusion, to boost financial literacy and inclusion in Indonesia. Additionally, BRINS offers affordable business and home damage insurance, with premiums ranging from IDR 10,000 to IDR 50,000 per year, available through the BRINS mobile app, which also handles claims.
- PT MNC Asuransi Indonesia (MNC Insurance) and PT Asuransi Jasaraharja Putera (JRP Insurance) have signed an MoU to collaborate on the development and promotion of various insurance products. By combining resources, expertise and distribution networks, they aim to enhance services, expand coverage and support government initiatives on public insurance protection.



## MERGERS AND ACQUISITIONS (M&A)

- PT Capitol Investasi Indonesia, a member of the Capitol Group, has officially acquired PT Asuransi Staco Mandiri. The acquisition was completed on 2 August 2024 and has been confirmed by OJK. Following the acquisition, PT Asuransi Staco Mandiri has increased its authorised capital to IDR 250 billion and its paid-up capital to IDR 180 billion to better anticipate future business growth and fulfil OJK's minimum equity requirements.

## KEY APPOINTMENTS

- Kevin Soedyatmiko has been officially appointed as a commissioner of Oona Insurance, effective from 1 November 2024.
- Indonesia Financial Group (IFG) and the Ministry of State-Owned Enterprises have appointed R. Mahelan Prabantarkso as the director of Compliance, HR and Risk Management; Viviet Savitri Putri as independent commissioner; and Leonardo Henry Gavaza as the finance director of Askrindo.
- PT Maskapai Reasuransi Indonesia Tbk (Marein) has appointed Robby Loho, previously serving as president commissioner, as president director. The position of president commissioner will be filled by Sarkoro Handajani, who will also serve as an independent commissioner.
- Indonesian insurtech company, Fuse, has appointed Ivan Sunandar and Vincent Chan as the new chief executive officer and non-executive director, respectively.
- TAP Insure, affiliated with PasarPolis, has appointed Muhammad Ichsan Razak as its new president director.
- Praveen Paladugu has been appointed as group head of agency distribution at Oona Insurance.
- PT Avrist General Insurance appoints Ian Ferdinan Natapradja as its chief financial officer.
- PT Lippo General Insurance Tbk (LPGI) has announced a reduction in its board of commissioners from six to four members to comply with POJK Nomor 23 Tahun 2023. This regulation mandates that the number of commissioners must not exceed the number of directors. Currently, LPGI's board consists of six commissioners and four directors, led by Agus Benjamin. Consequently, commissioners Lee Jaehyun and Jamilah Mawira Sungkar have resigned effective 30 November 2024. This change will be finalised after approval at the Extraordinary General Meeting of Shareholders on 20 January 2025.

## REGULATORY UPDATES

- OJK has imposed business activity restriction sanctions on PT Berdikari Insurance (Berdikari Insurance). The company violated regulations related to solvency levels, investment adequacy, minimum equity, and the roles of actuaries and internal auditors. Starting 11 September 2024, Berdikari Insurance has been banned from issuing new insurance policies until these issues are resolved. Despite the sanctions, OJK has mandated that the company maintain communication with policyholders and fulfil their existing obligations as required by law.
- OJK has issued POJK Nomor 11 Tahun 2024, updating regulations on reporting and requesting debtor information through the Sistem Layanan Informasi Keuangan (SLIK). Under this regulation, conventional and syariah insurance companies offering Credit insurance or Suretyship products must report and request debtor information via SLIK within one year of the regulation's implementation. This aims to provide more comprehensive debtor data to help financial institutions assess funding, support business operations, and manage credit and insurance risks.
- In compliance with POJK 24 Tahun 2023, insurance and reinsurance brokers, along with insurance loss adjusters, must update their company names to include specific terms outlined in the regulation by December 2025. The following companies have made the change and are now known as:
  - PT Aon Indonesia Insurance Brokers, previously known as PT Aon Indonesia
  - PT Best Proteksi Insurance Brokers, previously known as PT Best Proteksi Indonesia
  - PT Bolttech Insurance Broker, previously known as PT Axle Asia
  - PT KBRU Reinsurance Brokers, previously known as PT Simas Reinsurance Brokers
  - PT Mitra Proteksi Madani Insurance Broker, previously known as PT Mitra Proteksi Madani
  - PT Phillip Broker Asuransi Indonesia, previously known as PT Manunggal Bhakti Suci
  - PT Pialang Asuransi Asyki, previously known as PT Asyki Sarana Sejahtera
  - PT Proteksi Digital Pialang Asuransi, previously known as PT Perdana Wahana Sentosa
  - PT Tala Reinsurance Brokers, previously known as PT Tala Reinsurance Brokers

## OTHER SYARIAH UPDATES

- In line with OJK's requirement for insurance companies to spin off their syariah business units by 31 December 2026, the following insurers plan to set up new entities to manage their syariah operations:
  - BRINS
  - Mega Insurance
  - PT Asuransi Central Asia
  - PT Asuransi Tugu Pratama Indonesia
  - PT Sampo Insurance Indonesia
  - TRIPA into PT Asuransi Tri Pakarta Syariah
- PT Asuransi Sinar Mas (ASM) has teamed up with seven Bank Perekonomian Rakyat Syariah (BPRS) in Aceh to provide syariah-compliant general insurance products, such as Fire and Motor Vehicle insurance. These partnerships aim to offer valuable syariah-based insurance protection to BPRS customers. To support this effort, ASM has opened special syariah unit branches in Banda Aceh and Lhokseumawe. In Banda Aceh, the main services include syariah car insurance and all risk property insurance.
- OJK has revoked the syariah business unit permits of PT AXA Insurance Indonesia (AXA) and PT Asuransi Bintang Tbk (ASBI), following the transfer of their syariah portfolios to PT Zurich General Takaful Indonesia and PT Asuransi Takaful Umum, respectively. This transfer focused on issuing new policies to customers affected by the closure of the syariah unit. As a result, AXA and ASBI are now prohibited from operating in the syariah insurance sector.

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