

Headline News

HEALTH & BENEFITS

➔ *BPJS Updated: Coordination Of Benefit.*

CORPORATE RISKS

➔ *Fire Forest. Can It Be Covered?*

SME & AFFINITY RISKS

➔ *Riots Can Be From Anywhere. Even From A Football Match?*

STRATEGIC BUSINESS DEVELOPMENT

➔ *Rainy Season. Drive Carefully.*

BASIC INSURANCE TERMS

It is important for the policy holder to understand those basic terms of insurance encompasses understanding the most common types of the common terminology used in the industry in reference to insurance contracts.

Sum Insured.

Sum insured is the amount of money will need to cover the total rebuild or reinstate cost of property in the event of a total loss. This the maximum amount that an insurance company will pay to someone who makes a claim.

Inadequacy of sum insured will result prorated of the claim paid. Otherwise, over insurance is wasting money for paying a certain amount of premium.

Premiums

Outside of the insurance industry, the word "premium" has various meanings. However, in reference to all types of insurance, a premium is the cost of insurance. Generally, premiums are based for annual insurance period and payment due at specified date. However, period of insurance for certain products are occasionally basis such as cargo insurance which follow the shipment period and project insurance which follow the contract period.

Deductible

The deductible is the out-of-pocket amount the policyholder will be responsible for paying on a claim before the insurance provider will compensate the policyholder. For example, the Indonesian automobile standard policy carries an IDR. 300,000.- deductible, and the insured has an accident that results in IDR.2,000,000.- of damage, the policyholder will be expected to pay IDR. 300,000 and the insurance company will pay IDR. 1,700,000.

HEALTH & BENEFITS

BPJS Updated: Coordination Of Benefit.



by dr. Yusuf Rusmana

Right after the introduction of compulsory healthcare by BPJS Kesehatan, there had been various talks between BPJS and various private insurance companies to provide a coordination of benefit scheme, a so called COB BPJS scheme. Under this scheme, when participant follows the correct procedure to obtain treatment, and if the participant is being referred to hospital, BPJS will continue such cost up to the entitlement of "Kelas satu". When a participant wants to be treated at higher class e.g. VIP-class, then the balance of the cost shall be covered by private insurance program.

After a long journey, finally in October 2015 BPJS has agreed with 9 other private insurance companies to join this scheme. This is a good news for participants who is also be a policy holder of private medical insurance, hoping to end the confusion of duplication benefit. Participants who have double protection, both BPJS and Private insurance companies could now manage their benefit better to support their lifestyle, and beginning to value the BPJS. According to data released by BPJS in October 2015, there are 65,977 participants who currently have this sort of double protection.

The 9 private insurance companies which have joined COB BPJS scheme are:

- PT. Asuransi Jiwa Inhealth Indonesia
- PT. Asuransi Reliance Indonesia
- PT. Asuransi Allianz Life Indonesia
- PT. Asuransi Adisarana Wanaartha
- PT. Asuransi Tugu Mandiri
- PT. Asuransi Sinar Mas
- PT. Asuransi Adira Dinamika
- PT. Asuransi Great Eastern Life and
- PT. Asuransi Jiwa Bringin Sejahtera

This is far from settle, there are still a number of issues which needs to be cleared between BPJS and the insurance association, among others are coordination of dues, claims, registration. In parallel, we all hope that the list of joiner for this COB scheme shall expand and can provide ease to society. However, we should continue be aware that BPJS scheme is a "managed care" program which strictly embrace a tiered referral system, starting from "Faskes TK1". For private insurance scheme to connect, then it should follow the same rule, otherwise, the private insurance shall remain as duplication.

For further information on healthcare insurances and BPJS. Please visit <http://www.howdenindonesia.com> and email us at general@id.howdengroup.com or contact us on 0212939 4900 - Health & Benefits.

CORPORATE RISKS

Fire Forest. Can It Be Covered?



Meini Irawati

Just before the rainy season started, few part in Indonesia were facing the smoke disaster. There are fire forest in province Riau, Jambi, South Sumatra and Kalimantan Islands. This time however was worst than previous year incidents. The smoke has caused air pollution and haze to our neighboring countries Singapore, Malaysia, Thailand.

It has been predicted that next year our Papua region may experience the same, considering of land acquisition in this region for planting oil pam, which is one of the reason for this forest fire.

Can insurance cover for this specific risks?

Indeed there is specific plantation insurance which may be able to cover against fire, however this is very complex and may not be acceptable for specific situation in Indonesia, where this fire could be caused by the process of traditional land clearing.

The Financial Services Authority is now looking at potentially designing a fires insurance product in a form of pool fund consortium. The consortium would be able to assist the government to mitigate risks coming from forest and land fires. The consortium/pool will be able to pay claims for companies affected by the frequent forest and land fires. This idea is now being conveyed by OJK to the Ministry of Politics, Law and Human Rights. If this is required by the government, then OJK will be ready to design such product.

The companies which can join this consortium are forest concession firms, fishery, plantation operations who are potentially affected by this kind of disaster. The pool fund scheme will require member to pay premiums, which can be used immediately to deal with the disaster when it happens. In the meantime, the premium can be managed and invested.

In 2014, the forest fires in Sumatera and Kalimantan had incurred loss of more than IDR20 trillion.

For further information on Fire Forest. Please visit <http://www.howdenindonesia.com>. If you need any queries, please email us at general@id.howdengroup.com or contact us on 021 2939 4900 – Corporate Risks.

SME & AFFINITY RISKS

Riots Can Be From Anywhere. Even From A Football Match?



by Gilang Sunaryuniarto

There are so many “ingredients” why football sport is famous. One of the factor is the fans and supporters. If you have an experience to watch live match in stadium, you might recognize various type of fans present in there. There are a quite fans who just sit and focus to watch their player do the best. Also, there are a rather noisy fans who always sing their own song and claps to support their club, on the other hand. At worst, there are “Die Hard” fans who are very loyal to the club, regardless of how it plays and what division it is in. They support their club as if it is more important than their religion. This kind of fans might have a “gift” to support the club in a wrong way and become hooliganism. They mostly fight with fans of other club, they would damage everything nearby.



You may be familiar in Indonesia there is term for BONEK for Persebaya fans, VIKING/BOBOTOH for Persib fans or THE JAK MANIA for Persija fans. When these clubs match, not always, but most of the time it will end with fans fighting against each other. In insurance terminology, this fight could be categorized as RIOTS.

Under Indonesia standard fire insurance policy (PSAKI), “Riots” is defined as an act of group with at least 12 persons who in the execution of their common purpose cause public disturbance, with violence and damage the property of others. This Riots is commonly be combined as a packaged with Riots, Strikes, Malicious Damage and Civil Commotion (RSMDC), which can be extended into Property All Risks Insurance policy (PAR) of standard Fire policy.

RSMDC extension might not be seen as important as other perils element such as flood, earthquake. But after an unfortunate event and regrets this RSMDC is equally important. You may want to check your policy, are you covered?

For further information on SRCC Insurance. Please visit <http://www.howdenindonesia.com>. Please email us at general@id.howdengroup.com or contact us on 0212939 4900 – Financial, SME & Affinity Risks.

STRATEGIC BUSINESS DEVELOPMENT

Rainy Season. Drive Carefully.



Erick Silalahi

The people in Jakarta should now take precautions as the rainy season will hit its peak in January and February 2016. One of insurance company in Indonesia recorded more than 1,800 vehicle suffer loss due to flood which occurred during rainy season in January and February 2015.

Many people did not realize the risk on having motor vehicle and usually by the time they do, it has already been too late.

There are many insurance companies can provide you with motor vehicle insurance with various different package. You may want to check around and find the best which is suitable for you.

Alternatively, you can look at our website www.howdenindonesia.com, click on “travel” and your insurance can be made available at your finger tips.

howden facilities

home | care | wheels | travel | transport

For further information how to tailored your Insurance, please visit <http://www.howdenindonesia.com> and for any queries please email us at general@id.howdengroup.com or you may contact us at +6221 29394900 – Strategic Business Development .