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The Existence of Unit Link Products : Empirical And Juridical Review

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Abstract

Purpose – The purpose of this study is to obtain strategic steps for business actors in limiting the sale of unit-linked products based on the latest regulations through the factor analysis method.
Methodology – The methodology used is descriptive analysis with a qualitative approach.
Findings – The results of the study show that the high level of risk in marketing unit-linked products with the PAYDI system is still limited by the placement of investment funds that are medium risk, insurance sector business actors can provide recommendations on the placement of funds made by customers based on the quality of the investment manager's portfolio and investment categories that are not based on high risk.
Implications – This study offers both practical and regulatory implications for Indonesia's insurance sector. It emphasizes the importance of transparency, fair marketing, and prudent investment allocation in unit-linked products, urging insurers to align their practices with the consumer protection spirit of OJK Circular Letter No. 5/2022. For regulators, the findings suggest expanding oversight from procedural compliance to substantive supervision and promoting stronger financial literacy among policyholders.
Originality – In terms of originality, the study integrates empirical insights and juridical analysis, presenting one of the first comprehensive discussions on the implementation of the 2022 PAYDI regulation. Its contribution lies in linking financial governance with legal accountability, offering a conceptual framework to understand how regulation can balance investor protection and market stability. While primarily normative, this work establishes a foundation for future empirical and comparative studies on regulatory effectiveness in investment-linked insurance.

Introduction

Insurance is a financial product that has the benefit of protecting oneself from various risks of financial loss. Insurance products are divided into two, namely traditional (pure) insurance and unit link insurance. Unit-linked insurance is an insurance contract that provides protection benefits with low premiums as well as investment. This type of insurance provides death and investment insurance protection benefits at the same time. Currently, unit-linked insurance that is packaged in a modern way is developing very rapidly in Indonesia. This rapid development is certainly related to the benefits of return on investment and protection from insurance obtained by unit-linked customers. Although it is growing rapidly, some people do not understand the benefits and risks

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of this unit-linked product. Several cost components that must be paid by customers, in addition to insurance costs, are administrative fees, premium allocation costs, and investment management costs. The amount of this unit link fee depends on the policy of each insurance company (Widana & Jayanegara, 2019).

Unit-linked insurance products are life insurance policies with investment components. Unit-linked life insurance has two important components: protection and investment. The protection component refers to the sum insured in the event of an insured risk and the investment component refers to the policyholder's account representing the current unit value of the selected investment fund. So a unit-linked life insurance policy with guaranteed asset value is an insurance policy whose benefits are paid at the time of death or at maturity consisting of an amount greater than the guaranteed amount and the unit value of the investment fund. One of the most challenging issues concerns the pricing of minimum death benefit and maturity benefits and the establishment of appropriate reserves for these guarantees.

Furthermore, in the research of Ciumas & Chis (2015)stated that unit-linked insurance is a life insurance policy with an investment component. An important component of the activities carried out by insurance companies is the investment of premiums paid by policyholders in different types of assets, in order to obtain higher yields than guaranteed by insurance contracts, while providing the necessary liquidity for the payment of insurance claims in the event of assumed risks. This research contributes to the existing literature on investment alternative studies, with an exclusive focus on investing in unit-linked life insurance. A special place in this study is the presentation of investments in unit-linked insurance versus other types of financial investments: deposits, securities, stocks (BET), currencies (EURO) and gold. (Iqbal et al., 2017) stated that unit-linked insurance is insurance that is linked to investment, that is, the benefits provided are the result of investment from premiums. Today, the most widely marketed insurance in the industry is unit-linked insurance with guaranteed benefits. With the application of guaranteed benefits, the form of insurance benefits is similar to the form of repayment of European buy options. Thus, European call option pricing is involved in unit-linked insurance pricing with guaranteed benefits. The dynamics of investment returns are assumed to follow the stochastic interest rate. Therefore, the size change method is used in the pricing of unit-linked insurance. The discount factor with the stochastic interest rate needs to be modified to also be the price of zero-coupon bonds. Finally, insurance premiums are calculated on the principle of equality with guaranteed benefits and explicit insurance periods.

Unit linked products, a combination of life insurance and investment, have long been one of the mainstay products in the Indonesian insurance industry. However, in recent years, this product has been in the spotlight due to various problems that cause dissatisfaction among consumers. Problems related to claims are also a significant issue. Some customers find it difficult when submitting insurance claims, either because the terms are considered complicated or because of the lack of information from the beginning of the contract. This triggered distrust of insurance companies. Some of the main issues that often arise are the lack of customer understanding, many customers feel that they do not get a clear enough explanation of the risks and mechanism of unit linking. In some cases, insurance agents overemphasize the potential profit of an investment without providing an in-depth understanding of the risks, administrative costs, and possible losses. This leads to unrealistic expectations of investment returns. Then, high cost and transparency where unit-linked products often have high costs, including insurance, administration, and investment management costs. However, the details of these costs are often not explained transparently to customers, so they feel disadvantaged when the value of the investment does not grow as expected.

On the other hand, there is a disappointing investment performance where many customers complained about the results of unit link investments that were far below expectations. Market fluctuations, suboptimal selection of investment instruments, and high costs often make unit-linked investment results not proportional to the risks taken by customers. The inconsistency of the risk profile is also often a crucial issue of several unit-linked products sold to customers without paying attention to their risk profile. As a result, these products often do not match the needs or risk tolerance of customers, especially for those who should choose products with lower risk. Then from the policy makers' side, even though the Financial Services Authority (OJK) has issued various regulations to tighten supervision of unit-linked products, its implementation still faces challenges. Education for agents and customers, as well as supervision of product marketing, is often not optimal.

Literature Review

There is an extensive body of research examining the structure, valuation, and regulatory framework of unit-linked insurance products, particularly those associated with investment-linked life insurance. Early works such as Neelam (2011) & Richards (2014) identify unit-linked insurance as a hybrid contract combining life protection with investment opportunities through individualized accounts that generate variable returns. Fauzi (2023)further emphasizes the principle of utmost good faith between policyholders and agents, underscoring the importance of OJK's supervisory role to prevent disputes and ensure market transparency. Subsequent studies have developed more technical and actuarial perspectives. Murniasih et al. (2022) apply stochastic models to assess expected and death benefits, while several studies (Dianita et al., 2022; Widana & Jayanegara, 2019) analyze premium structures and top-up requirements, showing profitability that declines with policyholder age. Maghfiroh & Satyahadewi (2021) use the point-to-point method to calculate net single premiums for dual-purpose unit-linked insurance, confirming its viability under Indonesian market conditions.

Internationally, Cristina (2014) the growing relevance of unit-linked contracts in Eastern Europe. Gatzert & Kraus (2024) examine sustainability attributes and find that, while investors show moderate willingness to pay for sustainable features, cost and risk–return considerations remain dominant. Hanna et al., (2022) propose hybrid models combining participatory and unit-linked funds, appealing to conservative investors seeking balanced protection. Bosserhoff & Stadje (2021) explore optimal mean-variance strategies incorporating mortality risk through an extended Hamilton–Jacobi–Bellman framework, while Van der Heide (2020) traces the historical shift in UK life insurance from actuarial prudence toward risk-based capital regulation—an evolution reflected in OJK Circular Letter No. 5 of 2022 Concerning Insurance Products Linked to Investment Collectively, these studies reveal the ongoing development of unit-linked insurance as a flexible financial instrument that balances protection, investment performance, and regulatory oversight. However, the literature also indicates a continuing need to refine risk management models and clarify regulatory standards within emerging markets such as Indonesia.

Research Methods

The methodology used is descriptive analysis with a qualitative approach. The literacy sources used come from primary data, namely literature reviews, mass media and applicable laws and regulations as well as secondary data on the Statement Of Financial Position from the Financial Services Authority to be further studied in measuring the parameters of the analysis of policy recommendations needed next.

To answer the formulation of the problem, it is necessary to search for data through literature search that is in accordance with the theme. Literature searches were carried out using the keywords Insurance, Unit Link and OJK Circular Letter No. 5 of 2022 Concerning Insurance Products Linked to Investment. The search results obtained are then selected to be reviewed according to the topic. The search results obtained are then selected to be reviewed according to the topic for further analysis.

Results and Discussion

Based on the results of the analysis and synthesis of the search results using inclusion criteria, this discussion is focused on two main themes, namely (1) Unit Link Insurance related to OJK Circular Letter No. 5 of 2022 concerning Insurance Products Linked to Investment, (2) Regulations related to Insurance, Unit Link and OJK Circular Letter No. 5 of 2022 concerning Insurance Products Linked to Investment.

Unit Link Insurance related to OJK Circular Letter No. 5 of 2022 Concerning Insurance Products Linked to Investment

Unit-linked insurance policies, such as Unit Link insurance, operate by maintaining a separate asset account for each policyholder, allowing them to independently invest in a consolidated fund chosen by the policyholder, unlike traditional return-based policies (Richards, 2014). These policies combine insurance with investment, offering benefits such as high growth potential, life risk coverage, and tax benefits (Neelam, 2011). To prevent disputes in unit-linked insurance, the principle of maximum good faith must be applied by policyholders and insurance agents, in addition to enhanced supervision by the Financial Services Authority (OJK) (Fauzi, 2023). Research on units linking insurance with death benefits for co-living using stochastic calculations shows expected benefits and death benefits based on participant age and premium payments (Murniasih et al., 2022)In addition, an analysis of unit-linked insurance products in Indonesia revealed various costs of death, premiums, returns, and benefits, with some plans requiring top-up premiums to meet the guarantee(Dianita et al., 2022; Widana & Jayanegara, 2019) stated that unit-linked is one of the insurance products associated with investment. The buyer must pay a premium and will get investment returns and death compensation in the event of death during the policy period. So it is important for the company to calculate the cash flow contained in the unit-link, which is called profit testing. The purpose of this study is to calculate the profit testing of unit-linked insurance companies through a stochastic approach by considering the calculation of the policy value. The calculation of profit testing in this study was carried out through a stochastic approach with a lognormal model. The result of this study is that the calculation of profit testing on policies issued to people aged 25, 35, 45, and 55 produces a profitable Net Present Value. However, the profits obtained are decreasing as the insured age. The results of the calculation also show that the reserve value is able to handle higher risks compared to quantitative reserves. Cristina & Diana-Maria (2014) One of the most interesting life insurance products that have emerged in recent years in the Romanian insurance market is unit-linked contracts.

Gatzert & Kraus (2024) investigated the relevance of sustainable product attributes compared to sustainable costs and risk-reward profiles when individuals choose the underlying funds of unit-linked life insurance. The results show that private investors in unit-linked life insurance value the attributes of sustainable products and that they generate a marginal willingness to pay slightly higher, but the risk-reward indicators and especially sustainable costs are currently more relevant. The study also found further indications that sustainability attributes are less relevant in unit-related life insurance arrangements compared to savings plan arrangements. Hanna et al., (2022) stated that in many countries, declining interest rates have reduced interest in traditional participatory life insurance contracts with investment guarantees and have led to a shift to unsecured unit-linked policies. The study designed a new blended insurance contract that splits premium payments between participatory and unit-linked funds. Additional collateral fees are applied to unit-linked returns to increase the investment collateral of the participatory fund. The results show that mixed products are usually considered more attractive than full investment in both unit-linked contracts and participatory contracts. The collateral fee is beneficial for conservative investors who are interested in stronger protection against losses. It is also interesting from a marketing perspective: With an increase in guarantees in participatory products, zero or negative assurance levels can be avoided. Bosserhoff & Stadje, (2021) consider the problem of selecting a mean-variance portfolio that is consistent with the time of the insurer and allows for the incorporation of underlying risk (mortality). The optimal solution was identified with the perfect equilibrium of the Nash subgame. The researchers characterized the optimal strategy as a solution to the partial integro-differential equation (PIDE) system, called the extended Hamilton–Jacobi–Bellman (HJB) system. The results of the study prove that the equilibrium is of course a solution to the expanded HJB system. Under certain conditions, researchers obtained an explicit solution for the extended HJB system and provided an optimal trading strategy in a closed form.

A simulation shows that the previously discovered strategy produces a strong expectation and variance regarding the distribution of the size of the stock surge.

The same phenomenon is observed when the variance is correctly estimated, but is erroneously attributed to the mere diffusion component. Further, we show that differences in insurance horizons and maturity times of long-lived assets do not add to the variance of terminal wealth. Van der Heide (2020) describes and explains the shift in the way financial uncertainty is handled in UK life insurance, away from traditional multipolar arrangements that revolve around actuarial prudence and prudence, towards a bipolar arrangement that relies on explicit risk quantification and risk-based capital logic to "individualize" financial risk. The study identifies two factors that are key to realizing this shift: first, the dynamics of competition that developed with the emergence of challenger "unit-linked" insurance companies in the 1960s, and, second, changes in professional ecology, as embodied by the changing relationship between the actuarial profession and insurance supervisors. Maghfiroh & Satyahadewi (2021)conducted a study to determine the value of the net single premium of k-year unit-linked dual-purpose life insurance using the point to point method with a minimum guarantee and stamp value. The point to point method of investment returns is calculated based on the difference between the stock price at maturity and the stock price at the time of the policy contract, so this method ignores stock price fluctuations between the beginning and the end of the policy contract. The research uses daily closing stock data of PT. Summarecon Agung Tbk in 2012 and BI interest rate data for January 2013. The results of the analysis were obtained from the single net premium of k-year unit-linked dual purpose life insurance using the point to point method with a minimum guarantee and stamp value for a 25-year-old man with an insurance period of 5 years and an initial share price of IDR 620 and the number of shares to be purchased of 2,500 shares, which is IDR 1,517,749.

Regulations related to Insurance, Unit Link and OJK Circular Letter No. 5 of 2022 concerning Insurance Products Linked to Investment

In 2022 , the insurance sector has seen significant regulatory changes, especially regarding unit-linked insurance products. The latest regulations include the application of the principle of perfect honesty for policyholders and insurance agents to prevent disputes (Fauzi, 2023). The need for regulatory changes in unit-linked life insurance products has been emphasized due to the many complaints and defects in these products, highlighting the need for tailored regulations to improve consumer protection and information exchange (Kowalczyk-Rólczyńska & Pisarewicz, 2015). In addition, there are calls for additional legal arrangements and frameworks for unit-linked life insurance products to ensure proper legal coverage and address the evolving landscape of life insurance products (Dacev, 2015). Salviana et al., (2023) stated that unit-linked life insurance is an investment product, namely profit and loss. The premium payments made are also different from premium payments on ordinary life insurance. Internal legal protection for the insured is the main legal protection with the principle of good faith and the principle of openness. It is important for the insured to pay attention to the time of contract formation in order to prevent disputes as well as the insurer's interpretation to include a clause in the policy or even in other media that explains unit-linked life insurance, especially related to rights for the insured. This study suggests the concept of legal protection for unit-linked life insurance holders from the aspect of contracts and supervision of the competent authorities in order to achieve justice. Parinduri & Yusrizal (2023) stated that the concept of investing in unit-link-based sharia life insurance is the activity of investing assets in the form of assets as tabarru" in an effort to protect each other and help a number of people or parties who provide a pattern of return to face certain risks through contracts according to sharia principles where unit-linked is an investment instrument; Sharia life insurance is a new type of contract that has never existed in the period of development of Islamic fiqh, there are differences in the opinions of scholars who direct and prohibit life insurance; And with its current status, life insurance has intolerant premiums, so the life insurance contract is more of a speculative contract that contains elements of gambling and betting.

Gaganis et al., (2020) conducted a study by sketching the impact of insurance regulations on the life insurance sector, revealing a significant negative relationship between supervisory controls on the condition of life annuity policies as well as pension products and industrial development. The results of the study conclude that supervisory control of life annuity policy conditions and pension products as well as capital requirements are the strongest regulatory predictors of the ratio of life insurance premiums to GDP in various countries. These results apply when controlling demographic factors, economic factors, religious tendencies, culture, and other regulations. This result also applies when the ratio of premiums to GDP is replaced with life insurance premiums per capita. Other regulations such as supervisory controls on premium rate structures, premium rate controls, technical provisions, and investment-related regulations are not significantly related to life insurance consumption. Ostrowska-Dankiewicz (2019) this study describes the phenomenon that has occurred in recent years in the Polish life insurance market, which imposes corrective protective measures by consumers of insurance product investments. The essence and assumptions of the new financial market paradigm are discussed, by explaining the process of changing regulatory and regulatory standards, the strategies adopted and implemented in the development of protection policies along with the review of the most important legal regulations, solutions in terms of improving product transparency and creating a new life insurance policy model to highlight pro-consumer activities. The practical implications of this study are based on the analysis of the main problems of the life insurance market in Poland and show the possibility of implementing appropriate solutions in the field of insurance distribution based on the latest legal regulations, recommendations and consumer needs, establishing new standards and practices that improve the level of consumer security, and in the future it may be possible for the development of the investment product market.

Chen & Hieber (2016) stated that in a common equity-related life insurance contract, the insurer is entitled to a portion of the surplus return as compensation for the return guarantee provided to the policyholder. However, a set of contractual terms that allow it to be limited by regulatory default constraints – a fact that can force both parties to start a less-than-optimal insurance contract. This study shows that this effect can be reduced if regulatory policies are more flexible. Researchers suggest that regulators implement traffic light systems where companies are forced to reduce the risk of their problematic asset allocation. In a utility-based framework, it is shown that the introduction of such a system can increase policyholder benefits without worsening the benefits of insurance companies. At the same time, the probability of default (and thus the solvency capital requirement) can be reduced. Luca (2018) investigates the determinants of the intention to purchase interest rate guarantees, which can provide us with more information about what drives customers to purchase these features in order to be protected from financial hardship. In today's financial environment, it's important to understand the extent to which people are willing to buy product features that ensure they are protected from financial risk. In particular, these features are an additional layer of cost for insurers, who need to use expensive risk management measures in order to offer guaranteed returns. The study proposes a framework in which the relationship between the application of prevention as an investment strategy and the intention to purchase interest rate guarantees is moderated by the level of financial literacy of individuals and this interaction is mediated by perceptions of unit-linked insurance. Huber & Schlager (2018) highlight the antecedents of financial decision-making by describing the relationship between fundamental attitudes, product perceptions, and the intention to purchase products in the context of highly relevant unit-linked life insurance. The addition of investment guarantees further provides attractive product features that increase risk as a feel-good component in the decision-making process.

Lastly, regarding risk as an analytical component of the decision-making process, it can improve consumers' expertise with financial products promoted not only by government organizations, but also insurance companies through financial literacy education by explaining the product features and its risks to influence the financial decision-making process. Ceci, Colaneri, and Ceci et al., (2017) investigated the hedging issue of life insurance contracts associated with units through a local risk minimization approach, when insurance companies have limited information in the market. The researcher considered an endowment insurance contract, which is a combination of a term insurance policy and a pure endowment, whose ultimate value depends on the stock market trend in which the policyholder pays the premiums invested. Ceci et al., (2015) investigated a local risk minimization approach for a combined insurance-financial model where there are restrictions on the information available to insurance companies. Specifically, the researchers assumed that, at any given time, insurers could observe the number of deaths from a particular portfolio of insured individuals but not the level of risk of death. The study considers financial markets driven by general semi-martingale and aims to hedge the value of life insurance contracts associated with units through a local risk minimization approach with partial information. Siswanto & Olivia (2022) analyzed unit-linked life insurance products reviewed based on insurance law and investment law. This unit-linked life insurance product is intended to further attract the public in insurance where in addition to providing protection features, the product also provides investment features for policyholders. Kurniasih et al., (2024) studied how the consumer protection portal is used in accordance with Regulation of the Financial Services Authority Number 31/POJK.07/2020 Year 2020 Concerning the Implementation of Consumer and Community Services in the Financial Services Sector by the Financial Services Authority, and how consumer protection in the Financial Services Sector and Consumer Dispute Resolution by the Financial Services Authority. This research is very important because previous research has not addressed this topic. This research uses normative juridical. The results of the study show that Law No. 21 of 2011 Concerning the Financial Services Authority allows consumer protection portals. If disputes in the financial services sector are not resolved through a Financial Services Institution, they will be followed by settlement in court or outside. Courts recommend that the practice of the APPK is still widely used, and the system should be updated to maximize the application of legal protection through the principles of information openness and transparency.

Tititk Rianawati & Sabtarini Kusumaningsih (2021) stated that unit-linked insurance is one of the most widely offered financial products by financial institutions. Many customers are interested because of some of the benefits that are usually promised by their selling agents. One of the advantages that is indeed very tempting is that we can get 2 benefits at once, namely protection (insurance) and investment. However, because of its complicated nature, prospective customers before deciding to use it, it would be better to understand, understand, and learn it first so that later there will be no misunderstanding of unit-linked insurance products. Santri & Fauzi (2023) there are several provisions for regulating Unitlink Life Insurance, namely the Civil Code, the Commercial Code, Law No. 40 of 2014 Concerning Insurance Business, and OJK provisions. The legal protection of unitlink life insurance policyholders has been affirmed in Article 53 of Law No. 40 of 2014 Concerning Insurance Business that insurance companies are obliged to register policy guarantors with policy guarantee institutions, other provisions regarding the legal protection of policyholders are also contained Law No. 8 of 1999 Concerning Consumer Protection which regulates the rights, rights and obligations of consumers as policyholders and the obligations of insurance companies as producers. In the future, it is necessary to have rules for the enforcement of insurance companies' obligations in making firm and detailed claim payments in order to fulfill the rights of policyholders.

Wulandari & Sarjana (2022) identify and review various forms of regulations that apply to the Financial Services Authority (OJK) regarding the function of regulating and supervising Unit Linked insurance products and analyze the role of OJK on the Underlying Investment of Unit Linked insurance products. The role of the Financial Services Authority as a financial regulator in the banking and non-bank sectors for the Underlying Investment of Unit Link insurance products plays a very important role. It is appropriate for the OJK to be obliged to comply with and also carry out a regulatory and supervisory role, especially regarding the principle of prudence that underlies the protection of insurance policy users or customers.

Herayani (2020) conducted a research that aimed to find out the legal protection provided by AJB Bumiputera 1912 Brebes Company for the fulfillment of the rights of the insured of Unit Link life insurance. The results of the study show that the implementation of Unit Link life insurance in AJB Bumiputera 1912 Brebes Company is not in accordance with the Decree of the Chairman of the Capital Market and Financial Institutions Supervisory Agency Number KEP-104/BL/2006 Concerning Unit Link Products , namely regarding the amount of natural death insurance and also related to the investment strategy for Unit Link. The insurance policy is a form of legal protection for the insured of Unit Link life insurance provided by AJB Bumiputera 1912 Brebes Company, the rights of the insured of Unit Link life insurance are also protected by Regulation of the (Regulation of the Minister of Finance Number 53/PMK.010/2012 Concerning the Financial Health of Insurance Companies and Reinsurance Companies. Rahman & Kurniasari (2023) conducted this study to determine the legal protection for Insurance customers who take Unit Link products against the risk of decreasing investment value. The research approach used is a normative legal research approach to find out whether the rights of insurance customers in choosing insurance products in Indonesia have been accommodated by the Insurance Law. Legal protection for customers against the risk of declining investment value has been accommodated by the state through Law No. 40 of 2014 Concerning Insurance Business. Article 22 paragraph (4) requires providing information about the financial position, financial performance and risks it faces to interested parties in a manner that is in accordance with the provisions of laws and regulations as a preventive measure and Article 71 paragraphs (1) and (2) regulate administrative sanctions and Article 74 paragraph (2) regulates criminal sanctions as a repressive measure. That is, in terms of legal instruments. The state has been present to protect its citizens as Unit Link customers. Only the implementation of its enforcement still needs intense attention considering the lack of knowledge of law enforcement officials in terms of insurance.

Conclusion

Based on the results of analysis and synthesis, it can be concluded that unit-linked insurance is insurance that is linked to investment, that is, the benefits provided are the result of investment from premiums. Today, the most widely marketed insurance in the industry is unit-linked insurance with guaranteed benefits. Unit-linked is one of the insurance products associated with investment. The buyer must pay a premium and will get investment returns and death compensation in the event of death during the policy period. Unit-linked life insurance has two important components, namely protection and investment. The protection component refers to the sum insured in the event of an insured risk and the investment component refers to the policyholder's account representing the current unit value of the selected investment fund. A unit-linked life insurance policy with guaranteed asset value is an insurance policy whose benefits are paid at the time of death or at maturity consisting of an amount greater than the guaranteed amount and the unit value of the investment fund. The need for regulatory changes in unit-linked life insurance products has been emphasized due to the many complaints and defects in these products, highlighting the need for tailored regulations to improve consumer protection and information exchange. There are several provisions for regulating Unitlink Life Insurance, namely the Civil Code, the Commercial Code, Law No. 40 of 2014 Concerning Insurance Business, and OJK provisions. The legal protection of unitlink life insurance policyholders has been affirmed in Article 53 of Law No. 40 of 2014 Concerning Insurance Business that insurance companies are obliged to register policy guarantors with policy guarantee institutions, other provisions regarding the legal protection of policyholders are also contained in Law No. 8 of 1999 Concerning Consumer Protection which regulates the rights, rights and obligations of consumers as policyholders and the obligations of insurance companies as producers.

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