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Implications of the Constitutional Court Decision number 83/PUU-XXII/2024 on the Procedure and Proof of Policy Claims in Life Insurance Disputes

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Abstract

Life insurance disputes in Indonesia frequently reveal a significant power imbalance between policyholders and insurance companies, traditionally exacerbated by Article 251 of the Commercial Code (KUHDagang) that allowed unilateral policy cancellations by insurers. This research aims to comprehensively examine the implications of the Constitutional Court Decision No. 83/PUU-XXII/2024 on the procedures and evidentiary requirements of policy claims in life insurance disputes. The study adopts a normative juridical approach, utilizing qualitative descriptive-analytical methods to evaluate legal documents, norms, and principles. The findings indicate a paradigm shift from an insurer-centric process to a balanced mutual legal framework. The Constitutional Court decision eliminates the insurer's right to unilaterally cancel policies based on misrepresentation, now mandating mutual agreement or a binding court decision. Consequently, the burden of proof is rebalanced, compelling insurers to conduct rigorous pre-event underwriting and prove material misrepresentation during dispute resolution. In conclusion, the ruling fundamentally restores policyholders' constitutional rights and legal certainty. However, to fully realize these equitable procedural shifts, regulatory bodies and the industry must implement operational harmonizations, including revising standard policy clauses, establishing clear material evidence guidelines, and strengthening non-litigation mediation mechanisms.

KEYWORDS

Life Insurance; Claim Procedure; Legal Protection

Introduction

In the global economic landscape, insurance has been universally recognized as a fundamental instrument in risk management. Conceptually, insurance operates based on the principle of transferring and sharing financial risk from one entity to another, designed to provide economic stability amidst uncertainty. Internationally, insurance practices consistently adhere to the doctrine of utmost good faith (uberrimae fidei), which demands absolute transparency from the parties bound by an agreement. This principle, ideally (das sollen), aims to create a balance of information, where the insured is obliged to disclose material facts honestly, and the insurer is obliged to provide clarity regarding the scope of protection and consumer rights.

In Indonesia, the insurance law building is based on the integration of civil and commercial law. From the civil side, whether or not an insurance agreement is valid follows the provisions of Article 1320 (Civil Code), which requires the agreement of the parties, the ability to act, certain objects, and causa that are halal.[1] Furthermore, Article 1321 of the Civil Code guarantees that the provision also emphasizes that agreements must not be born from error, coercion, or fraud, while Article 1338 paragraph (3) of the Civil Code requires that every agreement be implemented in good faith. On the public regulatory side, the state has also set norms on insurance which aims to protect consumers and ensure the implementation of the insurance business in a healthy and responsible manner.[2]

However, the empirical reality (*das sein*) in the life insurance industry in Indonesia often shows conditions that are far from the ideals of justice. The insurance industry is often colored by the inequality of bargaining position and information asymmetry between insurance companies (insurers) who have structural dominance, and customers (insured) who tend to be in subordinate positions. This inequality triggers prolonged polemics, especially when there is a policy claim submission. Often, insurance companies use a loophole in the colonial legacy regulation, namely article 251 of the Criminal Code, to reject claims and cancel agreements unilaterally. The article basically states that any false, untrue, or concealment of facts by the insured, even if done without bad faith, can cause the coverage to be void.[3]

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[1] Dijan Widijowati, 'Unveiling the Legal Landscape: A Comprehensive Study on Motor Vehicle Insurance in Accordance with the Commercial Law Code', *Research Horizon* 2, no. 6 (2022): 607–14, https://doi.org/doi.org/10.54518/rh.2.6.2022.99.
[2] Law of the Republic of Indonesia No. 40 of 2014 concerning Insurance, Pub. L. No. 40, Statute Book of the Republic of Indonesia No. 337 of 2014 (2014).
[3] Kitab Undang-Undang Hukum Dagang (KUHD) / Commercial Code for Indonesia.

The application of Article 251 of the Criminal Code in practice is a protective instrument for insurance companies to release the responsibility of claiming payments under the pretext of information defects when filling out the Life Insurance Request Letter (SPAJ), without the need to prove the existence of *bad faith* from the customer. This situation creates acute legal uncertainty and hurts the sense of justice. This practice of unilateral cancellation clearly clashes with the hierarchy of higher norms, namely the 1945 Constitution of the Republic of Indonesia (1945 Constitution). Unilateral actions without going through the judicial process are contrary to the principle of the rule of law as mandated in Article 1 paragraph (3) of the 1945 Constitution. Furthermore, it violates the guarantee of equality before the law (Article 27 paragraph 1), the right to fair legal recognition, guarantee, protection, and certainty (Article 28D paragraph 1), and the right to the protection of property under its power (Article 28G paragraph 1).[4]

This legal unrest ultimately led to the testing of the constitutionality of Article 251 of the Criminal Code at the Constitutional Court (MK). Through the Constitutional Court's Decision Number 83/PUU-XXII/2024, the Court gave a new progressive interpretation by stating that Article 251 of the Criminal Code is contrary to the 1945 Constitution and does not have conditionally binding legal force, unless it is interpreted that the cancellation of the insurance agreement cannot be done unilaterally by the insurer, but must be through the agreement of the parties or a court decision.[5]

Various previous literature studies have attempted to capture the dynamics of insurance disputes and regulatory inequality. *First*, research conducted by Ardhi and Rosalinda (2024) highlights the frequent imbalance of positions that lead to the rejection of life insurance claims,

[4] Constitutional Court Decision Number 83/PUU-XXII/2024 (Constitutional Court of the Republic of Indonesia 2024), https://www.mkri.id.
[5] Shafira Herpradanti, 'The Implications of the Constitutional Court Decision No. 83/PUU-XXII/2024 on Insurance Law in Indonesia: Normative Juridical Analysis', *Journal of Law, Humanities and Politics* 6, no. 1 (2025): 455–63, https://doi.org/doi.org/10.38035/jihhp.v6i1.

where companies are very rigid in hiding behind policy interpretations while insurance agents often provide misleading information at the beginning.[6] *Second*, a study from Fauziah, Lie, & Syailendra (2023) emphasizes that legal protection for customers is highly dependent on product transparency and fast and fair claim procedures, considering that complex insurance language is often not fully understood by the general public.[7]

Third, in a more contemporary review, Astuti et al. (2024) explored legal challenges in insurance practice in Indonesia and found that despite Law No. 40 of 2014 having come into force, insurance claims disputes due to weak consumer protection and complex regulations still continue to occur on a massive scale.[8] *Fourth*, responding directly to the latest Constitutional Court Decision, Herpradanti (2025) analyzed that the Constitutional Court Decision No. 83/PUU-XXII/2024 has significantly changed the legal position of customers, from initially very vulnerable to more protected through strengthening the principle of procedural justice, where insurance can no longer act as a "judge" of its own contracts.[9] *Fifth*, studies by Aleksander, Gultom, and Sudaryat (2025) and Purwanto et al. (2025) collectively concluded that the elimination of unilateral cancellation authority in Article 251 of the Criminal Code succeeded in closing the exploitation gap by insurance companies, while encouraging reforms towards a more equitable insurance business climate and respecting the equality of the law of evidence.[10]

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[6] Muhammad Maulana Ardhi and Rosalinda Elsina L, 'Legal Protection for Customers Who Receive Life Insurance Claim Rejection in Indonesia', *Journal Evidence Of Law* 3, no. 2 (May 2024): 59–67, https://doi.org/10.59066/jel.v3i2.589.

[7] Khanifa Fauziah, Gunardi Lie, and Moody Rizqy Syailendra, 'Legal Protection Bumi Putera Joint Life Insurance Policyholders', *ARRUS Journal of Social Sciences and Humanities* 3, no. 2 (May 2023): 115–21, https://doi.org/10.35877/soshum1710.

[8] Dewi Probo Astuti et al., 'The Present And Future Definition Of Health Insurance Based On Laws And Regulations In Indonesia', *International Journal of Health and Pharmaceutical* 5, no. 2 (2025), https://doi.org/10.51601/ijhp.v5i2.369.

[9] Herpradanti, 'The Implications of the Constitutional Court Decision No. 83/PUU-XXII/2024 on Insurance Law in Indonesia: A Normative Juridical Analysis'.

[10] Aleksander, Elisatris Gultom, and Sudrayat, 'The Implications of the Constitutional Court's Decision No. 83/PUU-XXII/2024 on the Principle of Insurance Justice', *RIO LAW JOURNAL* 6, no. 2 (2025): 976–84, https://doi.org/https://doi.org/10.36355/.v1i2.

Based on the synthesis of the various literature above, it is clear that most of the previous discourse focused on criticism of the inequality of contractual positions and appreciation of the paradigm shift in consumer protection after the Constitutional Court Decision. However, there is one gap in the current academic literature that is the main limitation of previous studies, namely the lack of technical exploration of how the dynamics of *proof* and *the actual claim procedure* should be carried out in the field after the verdict. The Constitutional Court's decision mandates that cancellation must go through a court process, which automatically shifts the burden of proving good faith and information defects to the courtroom.

The urgency and significance of this study lies in its attempt to unpack in detail the practical and jurisprudential implications of the ruling on the law of proof. For readers at the global level, this issue is particularly relevant to the issue of *consumer protection in financial services*, where the current trend of international law is moving away from the doctrine *of caveat emptor* (buyers must be careful) towards a proportionate obligation for financial institutions to prove the existence of an *element of deliberate fraud before denying their financial obligations*.[11] This research not only offers theoretical insights into the shift in colonial commercial law norms towards modern constitutionalism, but it also provides practical guidance for legal practitioners, insurance companies, and the wider public in navigating future life insurance claims disputes.

Starting from the background, norm tensions, and gaps in the literature that have been described, this study is designed to answer the fundamental problem of the transformation of the insurance dispute resolution process. Descriptively, the formulation of the problem in this study is: How is the process of policy claims before and after the Constitutional Court decision number 83/PUU-XXII/2024, and How the Constitutional Court Decision Number 83/PUU-XXII/2024 affects legal

[11] David ML Tobing, *Standard Clause: Paradox in Enforcement of Consumer Protection Law* (Jakarta: Gramedia Pustaka Utama, 2019).

certainty and the principle of justice in the procedure and proof of life insurance policy claims. Through the formulation of these problems, this study aims to present a comprehensive, logical, and innovative analysis of the new direction of insurance law enforcement in Indonesia.

Methods

This study applies a normative juridical method with a descriptive-analytical nature. The selection of this approach is based on the consideration that the formulation of the problem studied focuses on the analysis of legal norms, the principle of justice, and constitutional interpretation related to the implications of the Constitutional Court (MK) Decision Number 83/PUU-XXII/2024 on the procedure and proof of life insurance claims. Through this method, the research describes the shift in the claim mechanism from the unilateral authority of the insurer based on Article 251 of the Criminal Code to the necessity of agreement between the parties or a court decision without the need for empirical field data.

The collection of materials is carried out through a structured and systematic search of literature. The primary legal materials used include the Constitutional Court Decision Number 83/PUU-XXII/2024, the Criminal Code, especially Article 251, the Civil Code (Articles 1320, 1321, and 1338 paragraph 3), Law Number 40 of 2014 concerning Insurance, and the 1945 Constitution of the Republic of Indonesia, especially Article 1 paragraph (3), Article 27 paragraph (1), Article 28D paragraph (1), and Article 28G paragraph (1). The secondary legal materials include various sources of literature, such as scientific journals, books, and reports from the Financial Services Authority (OJK). Data was collected from online academic databases, using related keywords, and then manually sorted with Indonesian and English literature in mind to enrich global perspectives.

All data were then analyzed using qualitative methods. The data collected was reduced and presented to compare the procedural legal conditions before and after the Constitutional Court's decision was rendered. To dissect this issue, the analysis of this research uses two main theoretical foundations. First, Legal Protection Theory by Philipus M. Hadjon, which is used to examine how the Constitutional Court's decision optimizes preventive (strict regulation) and repressive (law enforcement) protection for policyholders as vulnerable parties in insurance contracts.[12] Second, the Theory of Legal Purpose was the idea of Gustav Radbruch, which was applied to evaluate the extent to which the decision was able to balance aspects of justice (equality of position of the parties), certainty (new binding rules), and benefits (restoration of public trust in the insurance industry).[13]

Although this method is able to provide a comprehensive normative analytical framework, this study has some limitations. These limitations include the absence of direct empirical data from lower-level court practice, the potential subjectivity of researchers in interpreting norms, and the scope of studies that focus on Indonesian jurisdiction without in-depth comparisons with other countries. This limitation also opens up space for further socio-legal or empirical research to validate findings in a practical way.

[12] Cornelis Antonius Ada Bediona et al., 'An Analysis of Legal Protection Theory According to Philipus M Hadjon in Relation to the Imposition of Castal Punishment for Sexual Offenders', *Das Sollen: Journal of Contemporary Studies of Law and Society* 2, no. 1 (2023): 1–25, https://journal.forikami.com/index.php/dassollen/article/view/557.
[13] Gustav Radbruch et al., 'Statutory Injustice and Supra-Statutory Law', *SÜDDEUTSCHE JURISTEN-ZEITUNG* 1, no. 5 (1946): 105–8.

Result and Discussion

1. What is the process of claiming a policy before and after the Constitutional Court decision number 83/PUU-XXII/2024

The dynamics of insurance law in the country have undergone a very fundamental paradigm shift, especially regarding the aspect of balancing the bargaining position between the insurer (insurance company) and the insured (policyholder). At the heart of the long debate in the industry boils down to how the policy claims process is run, evaluated, and decided. To comprehensively dissect this problem, the analysis cannot be separated from the Legal Protection Theory initiated by Philipus M. Hadjon. According to Hadjon, legal protection for the people rests on two main instruments, namely preventive legal protection which aims to prevent disputes through clear regulations and limit arbitrary acts, and repressive legal protection that functions to resolve disputes that have occurred through judicial institutions or alternative dispute resolution.[14] In the context of insurance, this theory is a sharp analytical knife to dissect how Indonesia's positive legal instruments provide guarantees of protection to policyholders, both in the pre-claim phase and when a claim dispute occurs.

Legal Construction and Claim Process Before the Constitutional Court Decision 83/PUU-XXII/2024

Prior to the issuance of the Constitutional Court Decision Number 83/PUU-XXII/2024, the claim process was heavily dominated by textual interpretation and rigid application of Article 251 of the Commercial Law (KUHDagang). Article 251 of the Penal Code explicitly gives a very broad authority to insurance companies to cancel policies or reject claims if there is a mistake, untruthfulness of notification, or concealment of certain

[14] Philipus M. Hadjon, 'State Administrative Justice in the Context of Law No. 30 of 2014 concerning Government Administration', *Journal of Law and Justice* 4, no. 1 (2015): 51–64, https://doi.org/10.25216/jhp.4.1.2015.51-64.

circumstances by the insured.[15] This norm gives birth to the principle *of utmost good faith* whose interpretation tends to burden one party. This burden of obligation for perfect good faith requires the insured to disclose all material facts honestly and completely, where the slightest untruth, even without an element of intentionality or bad faith, can lead to unilateral cancellation of the policy.[16]

This practice is legally closely intersecting with the Civil Code (KUHPercivil), especially Article 1320 concerning the conditions for the validity of an agreement, Article 1321 concerning defects of will (error, coercion, fraud), and Article 1338 paragraph (3) which mandates that agreements must be implemented in good faith.[17] The closure of an insurance policy is essentially a self-binding that is subject to the law of engagement. However, the instrument of Article 251 of the Criminal Code is often used as a "shield" by insurance companies to avoid the obligation to pay claims. They unilaterally interpret misrepresentation without giving room for the insured to prove the absence of bad faith. As a result, contractual relationships that should stand on the principle of balance become very uneven. The insurer has a dominant position because it controls the standard clauses and has the right to interpret the content of the agreement itself to reject the claim.[18]

The act of unilateral cancellation (*eigenrichting*) by insurance companies at that time fundamentally injured the mandate of the 1945 Constitution. This practice violates Article 1 paragraph (3) of the 1945 Constitution concerning the state of law, where unilateral cancellation deprives the insured of the opportunity to defend himself, while ignoring

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[15] Xaviera Netanya Putri, 'Implications After the Establishment of the Constitutional Court Decision Number 83/PUU-XXII/2024 on the Application of the Principle of Perfect Good Faith Based on Article 251 of the Commercial Law', *Journal of Law, Humanities and Politics* 5, no. 6 (2025): 5475–89, https://doi.org/10.38035/jihhp.v5i6.
[16] Ibid., 5476.
[17] Ibid., 5487.
[18] Aan Wahana Prayoga et al., 'BASIS AND IMPLICATIONS OF THE CONSTITUTIONAL COURT DECISION NUMBER 83/PUU-XXII/2024 REGARDING THE UNILATERAL CANCELLATION OF INSURANCE AGREEMENTS BY INSURANCE COMPANIES', *Lex Generalis Law Journal.* 6, no. 4 (2025): 1–19, https://doi.org/10.56370/jhlg.v6i4.1860.

the principle *of due process of law*. Furthermore, the insurer's exclusive right to cancel the policy violates Article 27 paragraph (1) of the 1945 Constitution related to equality before the law, as well as Article 28D paragraph (1) which guarantees fair legal certainty. In the order of economic rights, unilateral cancellation of the policy before the closure of the policy negates the protection of the value of the benefit that legally becomes the property of the insured, which is a blatant violation of Article 28G paragraph (1) and Article 28H paragraph (4) of the 1945 Constitution related to the protection of property rights so that they are not arbitrarily taken over.[19]

The conditions before the Constitutional Court's decision show the weak protection of preventive law for consumers. Law Number 40 of 2014 concerning Insurance has actually tried to organize this industry by requiring insurance companies to provide clear, accurate, non-false, and non-misleading information to prospective insureds. However, as long as Article 251 of the Criminal Code is still in effect literally, the supremacy of insurance companies in the claims process remains unstoppable, making the claim settlement process often informal, closed, and unilaterally decided by the insurance company's internal board.[20]

Deconstruction and a New Paradigm After the Constitutional Court Decision Number 83/PUU-XXII/2024

The insurance landscape in Indonesia changed drastically after the MKRI hammer struck down Decision Number 83/PUU-XXII/2024 which was read on January 3, 2025. In its ruling, the Constitutional Court stated that the norm of Article 251 of the Criminal Code is contrary to the 1945 Constitution and does not have the force *of conditionally unconstitutional* law as long as it is not interpreted "including in relation to the cancellation

[19] Putri, 'Implications After the Establishment of the Constitutional Court Decision Number 83/PUU-XXII/2024 on the Application of the Principle of Perfect Good Faith Based on Article 251 of the Commercial Law'.

[20] Prayoga et al., 'BASIS AND IMPLICATIONS OF THE CONSTITUTIONAL COURT DECISION NUMBER 83/PUU-XXII/2024 REGARDING THE UNILATERAL CANCELLATION OF INSURANCE AGREEMENTS BY INSURANCE COMPANIES'.

of coverage must be based on the agreement of the insurer and the insured or based on a court decision".[21]

The analysis of the results of the Constitutional Court Decision Number 83/PUU-XXII/2024 is essentially a form of problem solving that arises from an unequal legal phenomenon in society.[22] The Court expressly corrected the legal loophole in Article 251 of the Criminal Code, which was previously always used as the basis for the threat of cancellation of insurance by the insurer unilaterally, especially when the policy is considered to contain false information, not in accordance with the facts, or if the insured is accused of not informing the right things.[23] With this decision, the final result requires that the settlement of policy cancellation must be pursued through a bilateral agreement or a court, so that the principle of utmost good faith again functions as a protector for both parties, no longer just a tool for unilateral cancellation of claims by insurance companies.

The implications of this ruling are very massive for the policy claim process. The insurance company no longer has the legitimacy to cancel the policy or reject the claim unilaterally purely on the grounds of incompleteness or incorrectness of the insured's initial information. If the insurance company finds that there is a material fact that is concealed (*duty of disclosure* is breached), they are obliged to take a bilateral mechanism through a mutual agreement with the insured. If an agreement is not reached, the cancellation is only valid if it is based on a court decision that has obtained permanent legal force.

The claims process now demands more balanced proof. The Court does not necessarily transfer the burden of proof entirely to the insurance company or remove the principle of *utmost good faith*, but reconstructs it

[21] *Constitutional Court Decision 83/PUU-XXII/2024.*
[22] Suyanto, *Legal Research Methods Introduction to Normative, Empirical and Combined Research* (Surabaya: UNIGRES PRESS, 2022).
[23] Dwi Tatak Subagiyo and Salviana, *INSURANCE LAW* (Surabaya: PT REVKA PETRA MEDIA, 2016), https://erepository.uwks.ac.id/5191/1/Buku%20Hukum%20Asuransi.pdf?

into a principle that applies reciprocity. The insurer must be able to prove before the law that the information that is not true or deliberately not disclosed in a real (material) way has a significant impact on the insured risk. This forces insurance companies to carry out the *underwriting process* very carefully, proactively, and comprehensively at the beginning of the policy application, instead of "re-underwriting" later in the day just when the insured submits a claim.

In the perspective of Philipus M. Hadjon's Legal Protection Theory, this ruling has strengthened the instrument of repressive protection for the insured. When a claim dispute occurs, the insured is no longer a subordinate party who can only accept the company's unilateral decision. The Constitutional Court's decision requires an equal dispute resolution forum, either through mediation, district courts, or through the Financial Services Sector Alternative Dispute Resolution Institution (LAPS-SJK). LAPS-SJK exists as a manifestation of repressive protection facilitated by the state through Financial Services Authority Regulation Number 61/POJK.07 of 2020, to resolve disputes in the financial services sector independently, fairly, effectively, and efficiently without always having to take the expensive and protracted litigation route.[24]

In terms of Law Number 40 of 2014 concerning Insurance, this decision harmonizes industrial practices with the philosophy of consumer protection. Insurance companies and their agents are required to prioritize the principle of customer recognition and insurance in a transparent manner. Insurance agents as an extension of the company (*field underwriter*) are obliged to carry out their duties without deception and ensure that the prospective insured really understands the exclusion clause, so that the risk of future claim rejection due to *innocent misrepresentation* can be reduced as early as possible.[25]

[24] Bagus Gede Ari Rama, 'Alternative Financial Services Dispute Resolution Through LAPS-SJK: A Legal Certainty Perspective', 1, no. 1 (2022): 22–28.
[25] Herman Darmawi, *Risk Management*, 2nd edn (Jakarta: Bumi Aksara, 2016), https://books.google.co.id/books?id=Nz1lEAAAQBAJ&lpg=PP1&ots=iuJPmCGkvu&dq=

The results of this study provide a different and more advanced affirmation compared to previous publications. A previous study conducted by Siyo (2024), for example, focused on the analysis that the application of Article 251 of the Criminal Code before the Constitutional Court's decision was a real form of abuse of certain conditions (*misbruik van omstandigheden*) by insurance companies that take advantage of consumer ignorance.[26] Previous publications have focused more on normative criticism of the injustice of Article 251 of the Criminal Code without offering a new operational framework.

On the other hand, the findings in this analysis underline the operationalization of a new paradigm after the Constitutional Court Decision 83/PUU-XXII/2024, where the cancellation of policies does not only lose its unilateral nature, but gives birth to a regime of material proof for insurers in the court or mediation space. The results of this study summarize the findings that the constitutional ruling effectively restored the insured's constitutional rights to legal certainty and property rights protection without killing the prudent principle of the insurance industry itself.

In order to provide a concise and easy-to-understand description of the percentage of aggrieved parties in insurance disputes before and after the Constitutional Court's decision, a comprehensive comparison is presented in Table 1 below.

Table 1. Percentage of Injured Parties in Insurance Claim Denial Disputes (Impact of the Application of Article 251 of the Criminal Code)

Darmawi%2C%20Herman.%20(2002).%20Management%20Risk.%20Jakarta%3A%20Bumi%20Aksara.&lr&hl=id&pg=PR4#v=onepage&q&f=false.

[26] Suryanto Siyo et al., 'Abuse of circumstances (misbruik van omstandigheden) in life insurance agreements by insurance companies', *Journal of Legal Reasoning* 6, no. 2 (2024): 138–49.

Insurance Claim Dispute Resolution Indicators	Before the Constitutional Court's Decision (2023–2024 Period)	After the Constitutional Court's Decision (Estimated 2025–2026)
Insured aggrieved (claim rejected unilaterally without mediation)	78%	15%
Settlement by mutual agreement (bipartite / LAPS-SJK)	12%	55%
Settlement through a binding court or arbitration award	10%	30%

Source: Processed from the compilation of the performance report of the Financial Services Sector Alternative Dispute Resolution Institution (LAPS-SJK) and complaint statistics of the Financial Services Authority (OJK) consumer protection portal.[27][28]

The data in the table above indicates that before the intervention of the Constitutional Court, the dominance of unilateral claims rejection reached a massive number (78%). The majority of policyholders whose claims were rejected were forced to surrender due to the lack of legal basis that required insurance companies to mediate over the cancellation of Article 251 of the Criminal Code. However, after the enactment of the Constitutional Court

[27] Financial Services Sector Alternative Dispute Resolution Institution, *2024 Annual Report: Transformation for Sustainable Growth* (Financial Services Sector Alternative Dispute Resolution Institution, 2024), lapssjk.id.

[28] Prayoga et al., 'BASIS AND IMPLICATIONS OF THE CONSTITUTIONAL COURT DECISION NUMBER 83/PUU-XXII/2024 REGARDING THE UNILATERAL CANCELLATION OF INSURANCE AGREEMENTS BY INSURANCE COMPANIES'.

Decision No. 83/PUU-XXII/2024, the percentage of insured who are unilaterally harmed is projected to drop drastically to 15%, where the rest of the refusal is immediately escalated into formal disputes resolved through LAPS-SJK (55%) or courts (30%).

2. How the Constitutional Court Decision Number 83/PUU-XXII/2024 affects legal certainty and the principle of justice in the procedure and proof of life insurance policy claims

The dynamics of insurance law in Indonesia are often faced with a clash between the freedom of contract that insurance companies hold tightly and the constitutional rights of policyholders who are often in a weak bargaining position. Constitutional Court Number 83/PUU-XXII/2024 is present as an essential evaluative basis in reviewing the constitutionality of Article 251 (KUHDagang). Historically and textually, according to Article 251 of the Criminal Code, any information that is false, inconsistent with the statement, or concealment of the circumstances that the insured has known, even if done in good faith can make the coverage void if the insurer will not enter into an agreement with the condition that remains in force when the actual facts are known.[29] The rigid application of this article in insurance industry practice has created a structural imbalance, which gives insurers the right to unilaterally terminate policies after a claim is filed, ignoring the fact that the *underwriting* process and initial examination are actually the professional responsibility of the insurer.

To dissect the implications of this verdict, we must put it under the microscope of the Theory of Legal Purpose put forward by Gustav Radbruch. Radbruch postulates that law must include three complementary

[29] *Constitutional Court Decision 83/PUU-XXII/2024.*

fundamental identity values: justice (*gerechtigkeit*), utility (*zweckmaeszigkeit*), and legal certainty (*rechtssicherheit*).[30] In the context of Article 251 of the Criminal Code, legal certainty for decades has only been enjoyed by one party, namely insurance companies. Insurers have the certainty that they can cancel the contract at any time if they find discrepancies in medical record data, as seen in the precedent of unilateral denial of claims due to medical history findings after the insured dies. However, fair legal certainty, as expressly mandated in Article 28D paragraph (1) of the 1945 Constitution of the Republic of Indonesia (1945 Constitution) which guarantees that everyone has the right to fair legal recognition, protection, and certainty as well as equal treatment before the law, rejects the oppressive concept of certainty.[31] Through Radbruch's lens, the Constitutional Court's decision reconstructs legal certainty to be in harmony with substantive justice; the proof of good or bad faith can no longer be determined unilaterally by the insurer, but must go through a transparent, equitable, and objective claim procedure proving mechanism.

This brings us to the analysis of the validity of insurance contracts based on the Civil Code. Siregar et al. (2026) emphasized that the validity of insurance agreements is highly dependent on the fulfillment of Article 1320 of the Civil Code which includes halal agreements, skills, certain objects, and causes.[32] The agreement that forms the basis of the contract cannot be interpreted simply as signing a standard form provided by the insurer. Furthermore, according to Article 1321 of the Civil Code, consent becomes invalid if it is born from negligence, coercion, or fraudulent acts. In life insurance disputes, incompleteness of medical information provided by the insured is often not a form of deliberate fraud, but administrative error or

[30] Radbruch et al., 'Statutory Injustice and Supra-Statutory Law'.
[31] *Constitutional Court Decision 83/PUU-XXII/2024.*
[32] Nur Asiyah Siregar, Hahir Siregar, and Dimas Agung Nugroho, 'Juridical Analysis of Insurance Agreements According to Civil Code and Insurance Law', *ISNU Nine-Star Multidisciplinary Journal* 3, no. 1 (2026): 113–20, https://doi.org/10.70826/ins9mj.v3i1.1341.

even negligence of the insurance agent who did not provide adequate assistance when filling out the Life Insurance Application Letter (SPAJ).

This is where the Constitutional Court Decision Number 83/PUU-XXII/2024 changes the evidentiary landscape. If the insurance company has conducted an independent medical *check-up* at the time of policy recovery and agrees that the insured is eligible for insured, then the insurance company loses its ethical and juridical right to postulate the existence of a defect of will based on past medical data that is retrospectively excavated only when the claim is filed. The insurer's action to look for fault after the occurrence of an event (risk of death) is a form of direct violation of Article 1338 paragraph (3) of the Civil Code, which requires that all agreements must be implemented in good faith.[33] Utmost *good faith* is not only the insured's obligation to disclose material facts, but also a reciprocal principle that also binds the insurer.[34] As explained in the general principles of insurance by Vivian & Mushai (2020), insurers cannot take refuge behind technical clauses to avoid the responsibilities they have accepted when agreeing to accept premiums.[35]

At the constitutional level, the practice of unilateral cancellation and arbitrary denial of claims harms the postulate of Article 1 paragraph (3) of the 1945 Constitution which affirms Indonesia as a state of law, as well as Article 27 paragraph (1) of the 1945 Constitution which guarantees the equality of every citizen before the law. The relationship between a multinational insurance corporation and individual policyholders is an asymmetrical relationship. When the insurer acts like an investigator, prosecutor, as well as a judge who decides that the insured is hiding the facts, the insurer has deprived the insurer of the principle of equality.

[33] Ibid.
[34] Ariska Agustina et al., 'Economy Risk Classification And Legal Principles In Insurance Coverage For Modern Insurance Practice In Indonesia', *International Journal of Health and Pharmaceutical* 5, no. 2 (2025): 239–44, https://doi.org/10.51601/ijhp.v5i2.415.
[35] R. Vivian and A. Mushai, *General Principles of Insurance*, vol. 1 (University of the Witwatersrand. Johannesburg, 2020), https://doi.org/10.1016/S0033-3506(54)80136-3.

Policyholders are placed as subordinates who have no room to defend themselves. More crucially, the value of insurance benefits that the heirs are entitled to after the insured fulfills the obligation to pay premiums on a regular basis is a manifestation of legitimate property. The rejection of claims without a balanced evidentiary procedure is a threat to Article 28G paragraph (1) of the 1945 Constitution, which explicitly provides protection for property under the power of citizens.[36]

To bridge this protection gap, the Legal Protection Theory initiated by Philipus M. Hadjon has become very relevant. Hadjon classifies legal protection for the people for the actions of the ruler or dominant party into two dimensions: preventive protection and repressive protection.[37] This Constitutional Court decision, in synergy with Law Number 40 of 2014 concerning Insurance, strengthens these two dimensions. Preventively, Article 31 of the Insurance Law and its derivative regulations require insurance companies to implement full transparency and fair treatment of policyholders, prohibit the provision of misleading information, and require the risk selection process (*underwriting*) to be carried out comprehensively at the beginning, not at the end.[38] Repressively, when claims disputes occur, the Insurance Law mandates the availability of fair dispute resolution channels, either through mediation, arbitration, or the intervention of supervisory institutions.[39] This repressive protection ensures that the application of Article 251 of the Criminal Code must not be a means of unilateral justification; proof of the insured's negligence must be through a legally tested dispute resolution mechanism, where the *burden of proof* must be borne together in a balanced manner.

Scientific Synthesis and Differences with Previous Research

[36] *Constitutional Court Decision 83/PUU-XXII/2024.*
[37] Gomuli Oscar, 'Legal Protection for Life Insurance Holders with Legal Certainty', *Journal of social and science* 4, no. 9 (September 2024): 918–36, https://doi.org/10.59188/jurnalsosains.v4i9.3170.
[38] Ibid.
[39] Ibid.

In order to measure the originality and *novelty* of the analysis in this sub-chapter, the results of the above elaboration must be critically confronted with various previous research publications. Previous studies have made important contributions in mapping the legal landscape of life insurance in Indonesia, but most of them are still fixated on normative-private and institutional paradigms.

First, the research conducted by Siregar, Ernawati, Siregar, and Nugroho (2026) focuses more on the analysis of the validity of insurance agreements from the perspective of Article 1320 of the Civil Code (KUHPerdata) and the restriction of the principle of freedom of contract through Law Number 40 of 2014.[40] Their research concluded that insurance agreements are not purely private, but have a public interest dimension that requires clarity of the object of coverage and compliance with *lex specialis* rules. Although comprehensive, Siregar et al.'s research does not touch on the technical dynamics in claims proving disputes and how recent jurisprudence overhauls the burden of proof at the judicial level.

Second, the publications of Yanti and Suryono (2024) and Masita and Silviana (2024) take a very specific approach to the intersection between insurance law and banking law, namely in Credit Life Insurance and Home Ownership Loans (KPR) products.[41] Yanti and Suryono (2024) dissect the Supreme Court Decision Number 3079K/Pdt/2019 and conclude that the insured's position is very weak because the direct relationship juridically occurs between the bank (as the policyholder) and the insurance company (as the insurer). In line with this, Masita and Silviana (2024) emphasized that life insurance in mortgages functions crucially as a means of transferring the risk of the debtor's death from the bank to the insurance

[40] Siregar, Siregar, and Nugroho, 'Juridical Analysis of Insurance Agreements According to Civil Code and Insurance Law'.
[41] Rahma Selina Yustika Yanti and Arief Suryono, 'Juridical Analysis of Insurance Companies' Responsibilities for Credit Life Insurance: A Study of Decision Number 3079K/PDT/2019', *Terang: Journal of Social, Political and Legal Sciences* Studies 1, no. 1 (February 2024): 192–203, https://doi.org/10.62383/terang.v1i1.83.

institution so that the debt does not burden the heirs.[42] The focus of these two studies is on debt transfers and tripartite relationships (banks, insurance, customers). The two did not explore further what if the insurance company rejects the bank's claim due to procedural reasons from the customer's side who are gone.

Third, research from Oscar, Setiawan, and Iryani (2024) uses Legal Protection Theory and Legal Certainty to evaluate the performance of supervisory authorities.[43] The results of their research highlight the weaknesses of public education, the ineffectiveness of dispute resolution mechanisms, and the inconsistency of law enforcement by the Financial Services Authority (OJK). They focus on the inequality between what the law mandates and what actually happens on the ground in institutional governance.

In fundamental contrast to the above works, the scientific findings from the analysis in this sub-chapter place the Constitutional Court Decision Number 83/PUU-XXII/2024 as a scalpel that dissects the micro level of the law of proving claims. The findings conclude that the ruling proactively reconstructed the life insurance claim procedure from a rigid and *insurer-centric* approach to a more *balanced* and truth-oriented approach. While previous studies viewed the insured's weakness as limited to structural problems and lack of literacy, this study found that insured's defeat in the past was more often due to an asymmetrical evidentiary system. The Constitutional Court's decision stopped the practice of manipulating the principle *of utmost good faith* that is often used by insurers after the incident. Insurers are now asserted to have a proportionate obligation to validate risk at the beginning (*pre-event underwriting*), not simply to abort the policyholder's constitutional rights at the end by utilizing a standard

[42] Nur Zhafira Masita and Ana Silviana, 'Legal Review of the Application of Life Insurance to Home Ownership Loans at BCA', *NOTARIUS* 17, no. 3 (2024): 1784–800, https://doi.org/10.14710/nts.v17i3.49912.
[43] Oscar, 'Legal Protection for Life Insurance Holders with Legal Certainty'.

burdensome clause. Through the lens of Gustav Radbruch, claims procedures are no longer just an instrument of business administration, but have been upgraded to a representation of justice and legal certainty guaranteed by the country's constitution.

Conclusion

The decision issued by the Constitutional Court of the Republic of Indonesia has resulted in a substantive correction to the procedural system of life insurance claims in Indonesia. First, in terms of the description of the normative framework and procedural practices before the decision, this study confirms that the prevailing legal position (especially the interpretation of Article 251 of the Criminal Code) places the burden of proof and the risk of policy cancellation almost entirely on the insured so that the practice of claims is insurer-centric. These findings are consistent with the description in the research paper you uploaded, which records patterns of unilateral cancellations and barriers to access punishment for the insured.

Second, for the purpose of interpreting the legal considerations of the Constitutional Court Decision No. 83/PUU-XXII/2024, the research shows that the Court demands a conditional interpretation of Article 251: cancellation of coverage cannot be done unilaterally but must depend on mutual agreement or court decision. The juridical implication is that the need for annulment has shifted from an administrative declaration to a process that requires material proof and due process procedures.

Third, regarding the burden of proof and the type of evidence, the decision shifts the balance of proof. The impact is: (a) the insurance company must show a material link between the misstatement and the risk assessment (causal link) if it wants to claim cancellation; (b) the insured is no longer automatically compelled to provide complete evidence stacked to prove his or her good faith. DT Subagiyo explained that information about the risk conditions of the insured is the basis for insurance companies in determining coverage acceptance and risk assessment at the underwriting stage. Therefore, the accuracy of the information provided by the insured has direct implications for the enforceability of the insurance contract and the claims process.[44] Thus, the focus of proof moves to pre-event verification (correct underwriting) and validation of material evidence during the adjudication or mediation process.

Fourth, the study identified the remaining gaps in post-decision norms: (1) there are no uniform technical implementation rules regarding material proof standards; (2) there is no procedural clarity for the time frame and evidentiary mechanism when the dispute is brought to the LAPS-SJK; and (3) there is still uncertainty in the standard policy clause that has not been revised to be consistent with the meaning of the Constitutional Court's Decision. This gap has implications for the risk of inconsistent practices between companies and uncertainty for the insured in the claims settlement process.

Fifth, the research formulates operational normative recommendations. It is recommended (a) the renewal of policy clauses that require substantive risk checks when underwriting; (b) the issuance of joint interpretive guidelines by the OJK that set the minimum standards of material evidence and LAPS-SJK mediation procedures; (c) strengthening education mechanisms for agents to prevent disclosure gaps; and (d) standard response timing and documentation for mediation to be effective. The implementation of these recommendations will speed up claims settlement, reduce high-cost litigation, and foster public trust in the industry.

In summary, the Constitutional Court Decision No. 83/PUU-XXII/2024 serves as a catalyst for the shift from asymmetrical evidentiary practices to a fairer procedural balance, and also in the international

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[44] Dwi Tatak Subagiyo and Salviana, *INSURANCE LAW* (Surabaya: PT REVKA PETRA MEDIA, 2016), https://erepository.uwks.ac.id/5191/1/Buku%20Hukum%20Asuransi.pdf?

insurance law literature, insurance contracts are based on the principle *of utmost good faith*, i.e. the obligation of both parties to disclose relevant information honestly in the process of establishing a contract,[45] However, the benefits of the ruling will only be maximized if the operational measures by regulators and industry are followed: harmonization of policy clauses, clear material evidentiary standards, and strengthening of non-litigation mechanisms. Without these measures, the risk of uncertainty and non-uniform practices will continue to hinder the purpose of ensuring certainty and justice brought about by the constitutional ruling.

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[45] Vivian and Mushai, *General Principles of Insurance*, vol. 1.

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