AGENDA

1. What is Public Assets?
2. Why Insurance?
3. Pre-Program
4. Implementing Public Assets Program
5. Characteristic
6. Market Preparation
7. Policy Standard
8. Deductible
9. Improvement
10. Progress
11. What’s Next
What is Public Assets in Indonesia?

### Article 23 C
Others about state assets regulated by Law

### Article 33 par (2)
Production branches that important for country and dominate the lives of many people controlled by the state

### Article 33 par (3)
Land, water, and the natural riches contained therein controlled by the state and used for the greatest prosperity of the people.

### Constitution

#### Article 33 par (2)
Production branches that important for country and dominate the lives of many people controlled by the state

#### Article 33 par (3)
Land, water, and the natural riches contained therein controlled by the state and used for the greatest prosperity of the people.

### Potential State Assets

<table>
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<th>Natural Resources</th>
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<tr>
<td>Sea</td>
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</tr>
<tr>
<td>Minery</td>
<td></td>
</tr>
<tr>
<td>Forest</td>
<td></td>
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<td>Air space</td>
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<table>
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<tr>
<th>Culture</th>
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<tbody>
<tr>
<td>Food</td>
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<tr>
<td>Language</td>
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<table>
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### State Finance Reformation

#### Owned State Assets

<table>
<thead>
<tr>
<th>UNSEPARATED</th>
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<tbody>
<tr>
<td>CENTRAL GOV ASSETS (BMN)</td>
<td>Law 02/2009 (LPEI)</td>
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<td>LOCAL GOV ASSETS (BMD)</td>
<td>Law 19/2003 (State Owned Enterprise /BUMN)</td>
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<td>Law 11/2020, PP 74/2020 (LPI)</td>
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<td>Law 12/2012 (Pendidikan Tinggi)</td>
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<td>Law 24/2004 (LPS)</td>
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<td>Law 40/2004 (BPJS)</td>
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<td>Law 11/2020, Gov. Reg 24/2021 (Land Bank)</td>
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<tbody>
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<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

### Law References

- **Law 17/2003** (State Finance)
- **Law 01/2004** (State Treasury)
- **Law 15/2004** (State Finance Accountability)
BARANG MILIK NEGARA

APBN

Belanja Barang
Belanja Modal
Bantuan Sosial

Perolehan Lain Yang Sah

Hibah/Sumbangan
Perjanjian/Kontrak
Ketentuan Peraturan perundang-undangan
Putusan Pengadilan

PEROLEHAN

CURRENT ASSETS

Inventory

FIXED ASSETS

Land
Building
Machinery
Infrastructure
Work In Progress
Other Fixed Assets
Consession

INVESTMENT PROPERTY

Investment Property

OTHER ASSETS

Partnership
Intrangible Assets
Others

DISCLOSURE

Ekstrakomptabel
Lost/Broken Assets to Dispose
BPYBDS
Historical Assets
Why Insurance?

REGULATION
- Law 1/2004 (Treasury): MoF regulate the central government assets
- Gov. Regulation 27/2014 jo. 28/2020: MoF as Assets Manager formulate the regulation for state assets insurance

VULNERABILITY
- 2nd rank in World Risk Index 2023
- Prone of various big natural disasters
- Numbers of non natural disasters

FISCAL CAPACITY
- Reduce budget shock from disaster
- Huge value of assets
- Sustainable development
- Disaster Risk Finance and Insurance (DRFI) Strategy
### Pre Program (PMK-247/2016)

**REGULATION**

1. **Risk**
   - Identify by each satker and line ministries for:
     - Prone of natural disaster
     - Have big impact for public service and government duty
     - High risk index location

2. **Mechanism**
   - Indemnity and others that available in the market

3. **Instrument**
   - Choose from the insurance policy that’s available in the market

4. **Fund**
   - Satker’s budget

5. **Insurer**
   - Insurance company chosen with gov. procurement mechanism

6. **Object to insured**
   - Buildings, bridges, vehicle, and other assets stated by DJKN

7. **Claim mechanism**
   - Various mechanism that available for each kind of product/policy

**IMPLEMENTATION**

- Small number of implementation due to lack of awareness and understanding about risk
- Resistance from satker due to lack of competency about insurance
- Worries in procurement from satker due to the behavior of industry in premium tariff war, product/policy variousness in market
- Difficulties in dealing the mechanism process with the regulation in budget, treasury, and assets management
Implementing Public Assets Program

01-Risk Identification
- World Risk Index
- Natural Disaster
- Non-natural Disaster
- Social Disaster

02-Assets Identification
- Assets Revaluation
  - Inventory
  - Valuation
  - Assets profile

03-Subject Study
- Who is the insured
  - Assets Manager
  - Line Ministry
  - Satker

04-Identify Fund
- DRFI Strategy
  - Pooling Fund
  - Budget K/L

05-Market Conditioning
- Dealing the Market
  - Modelling Rate
  - Konsorsium ABMN
  - Polis standar
  - Reasuransi

06-Designing Business Process
- Formulating Regulation
  - Planning
  - Budgeting
  - Procurement
  - Claim Process
  - Accounting

07-Implementation
- Piloting
  - Piloting K/L
  - Umbrella contract
  - Piloting object
  - Piloting claim
MARKET PREPARATION

DESIGNING NEW POLICY STANDARD

PROPOSE

PERMIT

POLIS STANDAR ABMN

ESTABLISHING CONSORTIUM

KONSORSIUM ASURANSI BARANG MILIK NEGARA

Inisiatort: Asosiasi Asuransi Umum Indonesia (AAUI)
Didirikant: 7 Juli 2019
Kapasitas: IDR 1,389 Trilion
Syarat:
- Equity min. IDR 150 Billion
- RBC min. 120%
- Liquidity ratio min. 100%
Administrator: PT. Reasuransi Maipark Indonesia
Penerbit Polis: PT. Asuransi Jasa Indonesia

Jumlah Perusahaan

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tr>
<td>Industri</td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
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<tr>
<td>Konsorsium</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Persentase</td>
<td>0.00%</td>
<td>20.00%</td>
<td>40.00%</td>
<td>60.00%</td>
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</tbody>
</table>

- Termasuk asuransi umum, reasuransi, asuransi syariah, dan reasuransi syariah.
**How’s It Work?**

1. **Asset Manager**
2. **Umbrella contract**
   - **Procurement**
     - **Reinsurance via broker**
     - **Excess of loss (XOL) > IDR50 bio/event**
     - **Fluktuatif for asset value > IDR400 bio**

3. **KABMN**
   - **Insurance Policy**
     - **Claim proposal**
     - **Payment**

4. **Budget Proposal**
5. **Budget Allocation**
6. **Claim Use Proposal & Budget Revised**

7. **Loss Adjuster**

---

**MoF**

**APBN**

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**VOLANTE GLOBAL**
**Munich RE**
**SAMSUNG REINSURANCE**
**SAVA Re**
**ASBEN RE**
**Swiss Re**
**hannover re**
**COVea INSURANCE**
## INsurance Product

### Coverage

<table>
<thead>
<tr>
<th>Event</th>
<th>PSAKI</th>
<th>PAR</th>
<th>PSABMN</th>
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<tr>
<td>FLEXAS (Fire, Lightning, Explosion, Air Craft, Smoke)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Riot, Strike, Civil Commotion</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Terrorism dan Sabotage</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Water Damage</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Flood</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Typhoon</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Landslide</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Earthquake</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Tsunami</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
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<tr>
<td>Volcanic Eruption</td>
<td>✗</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Other not excluded risk</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Deductible</td>
<td>✓</td>
<td>✓</td>
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</table>
Characteristics

One Seller

Consorsium (KABMN)

Piloting Mechanism

One Product

Asset type

K/L

Polis Standar Asuransi BMN

One Tariff

Premium Rate

Nilai Pertanggungan

Reinstatement Value

Centralized Buyer

Satuan Kerja Koordinator

Reinsurance

All Risk

International

FLEXAS (Fire, Lightning, Explosion, Air Craft, Smoke) + RSMDCC (Riot, Strike, Malicious Damage, Civil Commotion) + TSFWD (Typhoon, Storm, Flood, Water Damage) + EQVET (Earth Quake, Volcanic Eruption, Tsunami) + TS (Terrorism) + Others
<table>
<thead>
<tr>
<th>No</th>
<th>Risk</th>
<th>Amount</th>
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<tr>
<td>1</td>
<td>Fire, Lightning, Explosion, Aircraft, Smoke (FLEXAS)</td>
<td>0</td>
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<tr>
<td>2</td>
<td>Riot, Strike, Malicious Damage, Civil Commotion (RSMDCC)</td>
<td>5% from claim max. IDR 5 million / event</td>
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<tr>
<td>3</td>
<td>Typhoon, Storm, Flood, Water Damage (TSFWD)</td>
<td>10% from claim / event</td>
</tr>
<tr>
<td>4</td>
<td>Earth Quake, Volcanic Eruption, Tsunami (EQVET)</td>
<td>2.5% from sum insured / location</td>
</tr>
<tr>
<td>5</td>
<td>Others</td>
<td>IDR 2.5 million / event</td>
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</table>
Progress – Penetration

Number of Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Insurable Object</th>
<th>Insured Object</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>2019</td>
<td>65,673</td>
<td>1,337</td>
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<td>2020</td>
<td>70,921</td>
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<td>78,328</td>
<td>5,272</td>
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<td>2022</td>
<td>83,331</td>
<td>7,716</td>
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<tr>
<td>2023</td>
<td>96,276</td>
<td>10,920</td>
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<tr>
<td>2024</td>
<td>96,276</td>
<td>9,326</td>
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</tbody>
</table>

Insured value

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Insurable Object</th>
<th>Total Insured Object</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>128.92</td>
<td>10.74</td>
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</tr>
<tr>
<td>2020</td>
<td>144.1</td>
<td>17.06</td>
<td></td>
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<tr>
<td>2021</td>
<td>180.62</td>
<td>37.68</td>
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<td>2022</td>
<td>200.89</td>
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<tr>
<td>2023</td>
<td>234.4</td>
<td>72.64</td>
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<tr>
<td>2024</td>
<td>234.4</td>
<td>61.84</td>
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</table>

* until Februari 2024
Progress – Insurance Claim Ratio

YEARLY COMPARISON

CUMULATIVE COMPARISON

* until Februari 2024

* indicates data as of Februari 2024.
Improvement

01 Information System

- Design and develop:
  - Sistem Informasi Manajemen Aset Negara (SIMAN) v2
    - Modul Perencanaan Asuransi
    - Modul Asuransi BMN
  - Sistem Informasi Peta Kekayaan Negara (SIPKN)
- Interconnection for end-to-end systems
  - SIMAN-STAR
  - SIPKN-one map policy (InaRisk, etc.)
  - SIPKN-USGS

02 Market

- Umbrella contract extension
- Syaria Insurance Company join KABMN since 2021
- Compliance of health level regulation for insurance company
- Listing of independent loss adjuster (ILA)
- Wider reinsurance company

03 Capacity Building

- E-learning for all K/L by WB and FETA
- Training for all K/L by FETA
- Stress-test by WB
- Deep dive policy by WB
- Certified General Insurance by AAMAI

04 Business Process

- Issued Manual Book
- Revised SLA for faster claim process
- Business process integration with asset planning
What’s Next?

1. Integrating public assets insurance with disaster pooling fund
2. Expanding insurable object for infrastructure such as bridge, and vehicle
3. Expanding insurable parties to all parties that using and utilizing BMN such as Asset Manager
4. Formulating technical valuation for public assets insurance base on information system
5. Designing and developing end to end system for public assets insurance (SIMAN, SIPKN, SIP)
THANK YOU

Direktorat Jenderal Kekayaan Negara,
Kementerian Keuangan Republik Indonesia
Gedung Syafrudin Prawiranegara II
Jl. Lapangan Banteng Timur 2-4, Sawah Besar, Jakarta Pusat