



# INDONESIA

## Public Assets Insurance



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Executive Education Program on Disaster Risk Finance for Indonesia  
Bandung, March 3<sup>rd</sup> 2024

# 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 ?

## Constitution

### Article 23 C

Others about state assets regulated by Law

## 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 thr greatest prosperity of the people.

## STATE FINANCE REFORMATION

### OWNED STATE ASSETS

#### UNSEPARATED

**CENTRAL GOV ASSETS (BMN)  
LOCAL GOV ASSETS (BMD)**

**Government Regulation  
27/2014 jo. 28/2020  
(Management of Central/Local Gov  
Assets)**

- Goods that's get from:
- APBN; and
  - Others legal source
    - Grant/donation;
    - Agreement/contract
    - Law & regulation
    - Inkracht court ruling

#### SEPARATED

Law 02/2009 ( L P E I )

Law 19/2003 (State Owned Enterprise /BUMN)

Law 23/1999 (Central Bank)

Law 11/2020, PP 74/2020 ( L P I )

Law 12/2012 (Pendidikan Tinggi)

Law 24/2004 (LPS)

Law 40/2004 (BPJS)

Law 11/2020, Gov. Reg 24/2021 (Land Bank)

Others

OWNED

CONTROLLED

### POTENTIAL STATE ASSETS

#### Natural Resources

Sea

Minery

Forest

Air space

Others

#### Culture

Food

Language

Others

Others

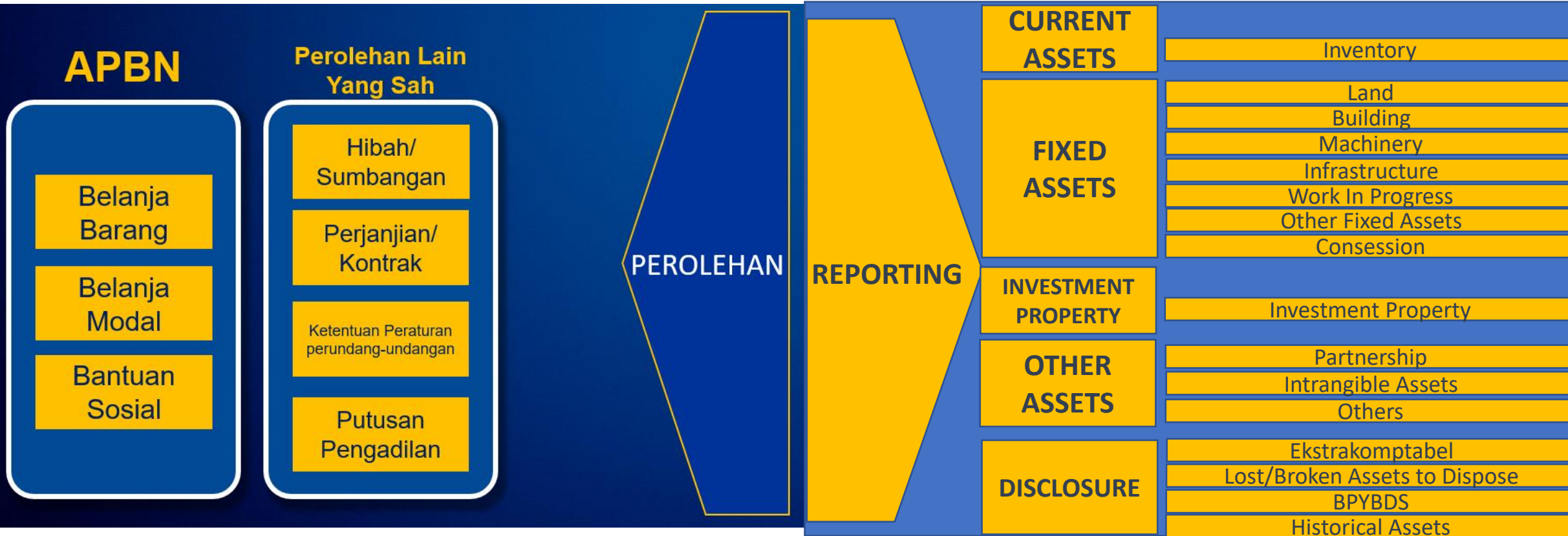


- Satuan Kerja 
- BLU 
- DK/TP 
- BUN 

# BARANG MILIK NEGARA



UU 1/2004  
PP 27/2014  
PP 28/2020





# 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

01

## VULNERABILITY

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

02

## FISCAL CAPACITY

- ❑ Reduce budget shock from disaster
- ❑ Huge value of assets
- ❑ Sustainable development
- ❑ Disaster Risk Finance and Insurance (DRFI) Strategy

03



# 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

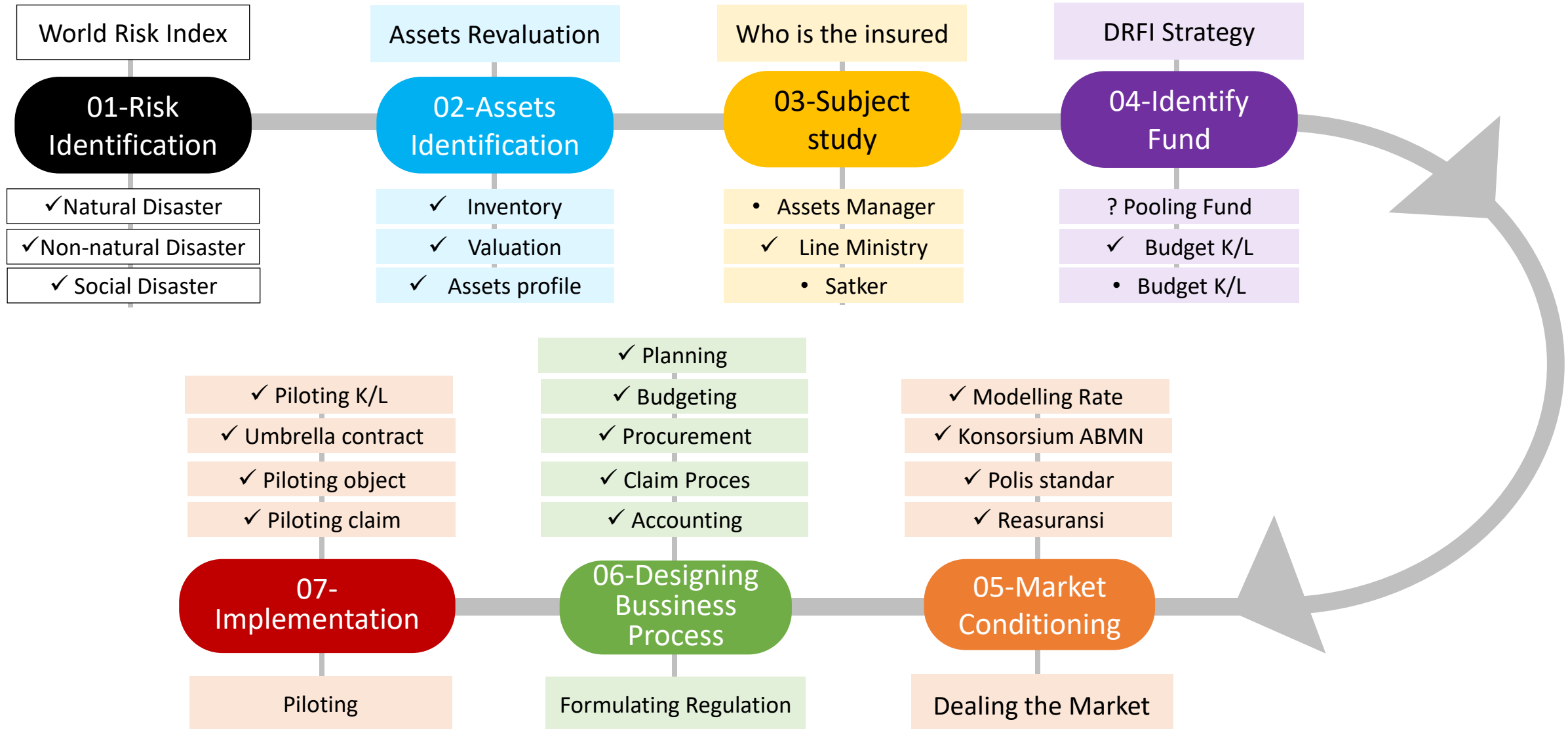
Resistance from satker due to lack of competency about insurance

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



# MARKET PREPARATION



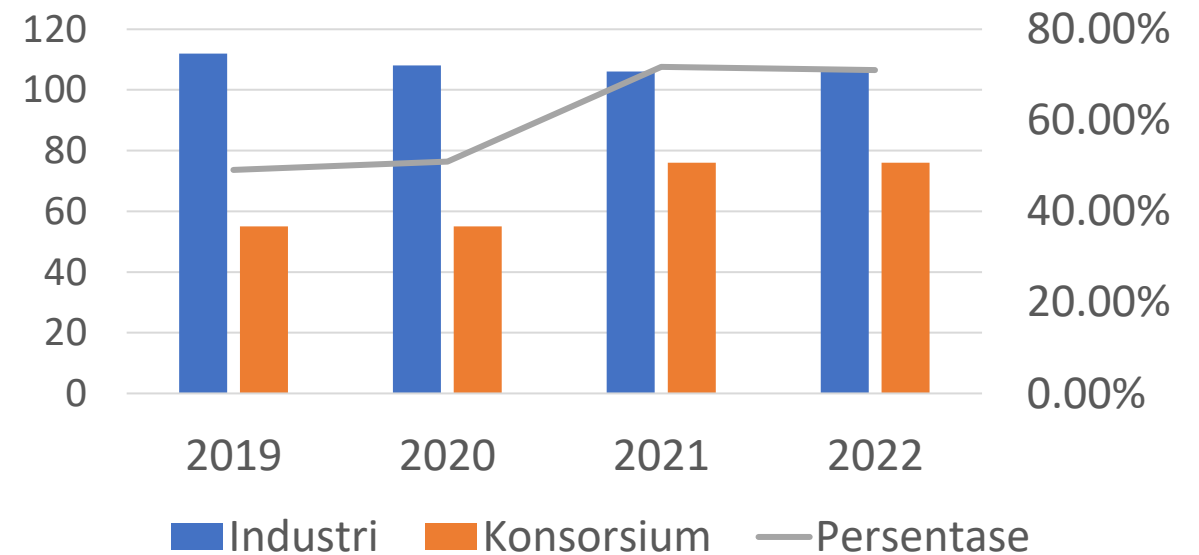
## ESTABLISHING CONSORTIUM



### KONSORSIUM ASURANSI BARANG MILIK NEGARA

<b>Inisiator</b>	: Asosiasi Asuransi Umum Indonesia (AAUI)
<b>Didirikan</b>	: 7 Juli 2019
<b>Kapasitas</b>	: IDR 1,389 Triliun
<b>Syarat</b>	: - Equity min. IDR 150 Bilion - RBC min. 120% - Liquidity ratio min. 100%
<b>Administrator</b>	: PT. Reasuransi Maipark Indonesia
<b>Penerbit Polis</b>	: PT. Asuransi Jasa Indonesia

Jumlah Perusahaan

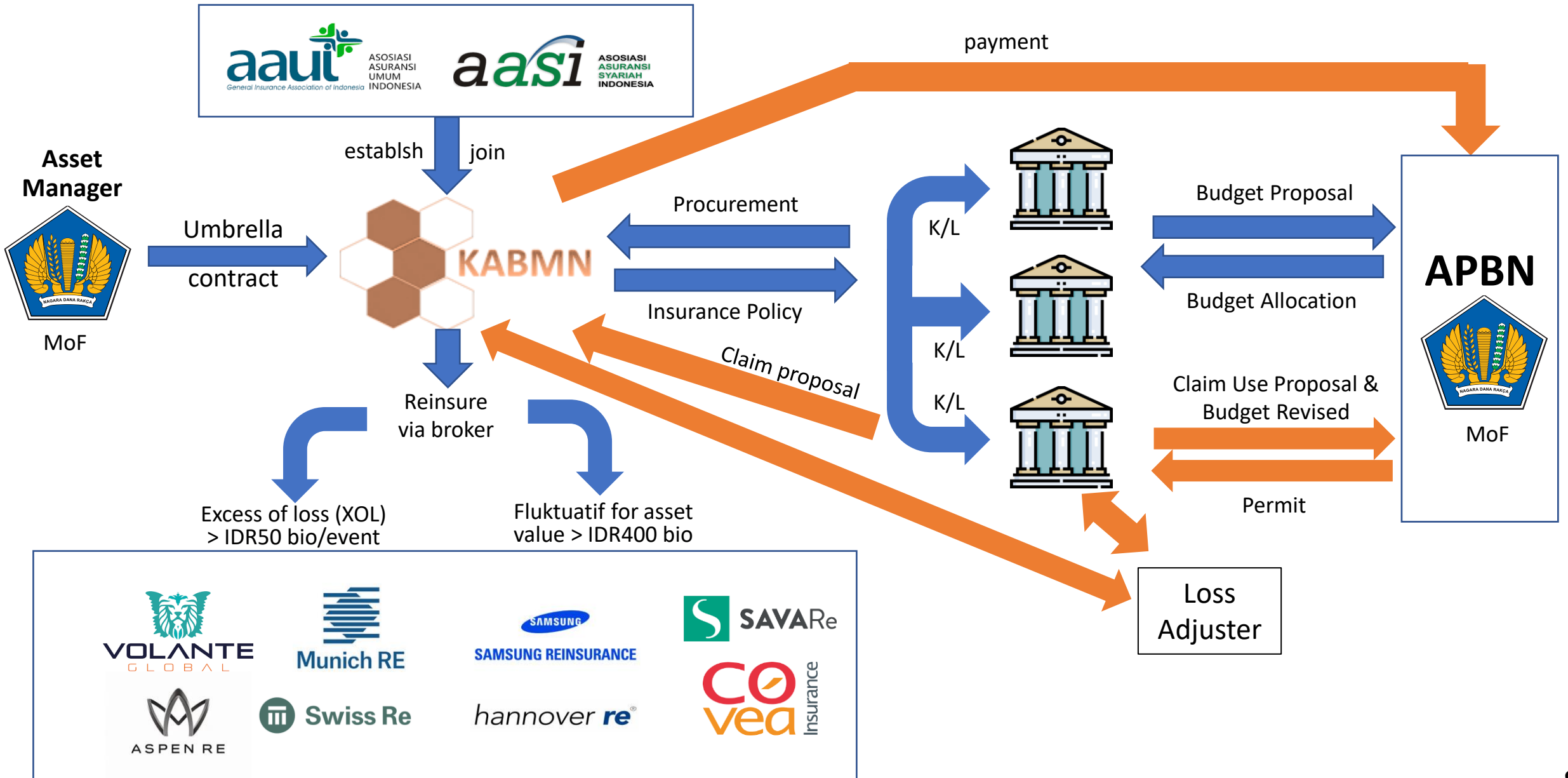


▪ Termasuk asuransi umum, reasuransi, asuransi syariah, dan reasuransi syariah.





# How's It Work ?



05

Indemnity

04

One tariff

03

Polis Standar ABMN

02

Centralized

01

Perils &amp; Hazard

**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, Sabotage)

# INSURANCE PRODUCT

COVERAGE	PSAKI	PAR	PSABMN
FLEXAS	✓	✓	✓
Riot, Strike, Civil Commotion	⊗	⊗	✓
Terrorism dan Sabotage	⊗	⊗	✓
Water Damage	⊗	✓	✓
Flood	⊗	✓	✓
Typhoon	⊗	✓	✓
Landslide	⊗	✓	✓
Earthquake	⊗	⊗	✓
Tsunami	⊗	⊗	✓
Volcanic Eruption	⊗	⊗	✓
Other not excluded risk	⊗	✓	✓
Deductible	✓	✓	✓



# Characteristics





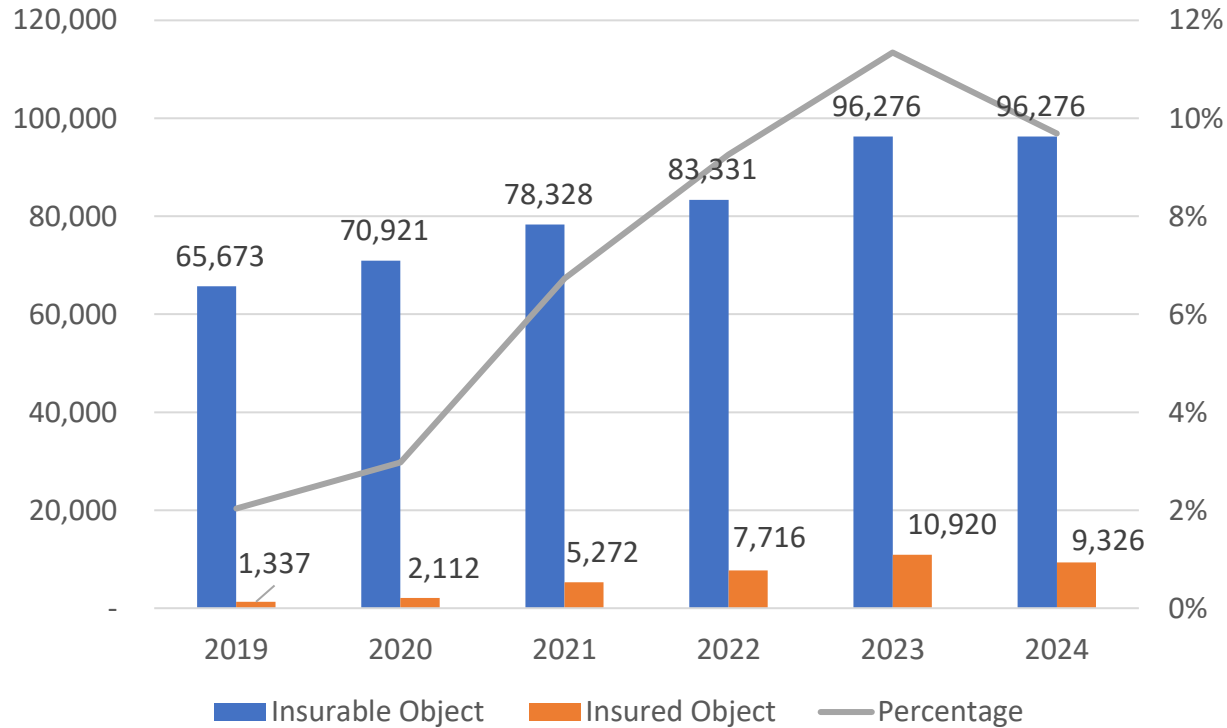
# DEDUCTIBLE

No	Risk	Amount
1	Fire, Lightning, Explotion, Aircraft, Smoke (FLEXAS)	0
2	Riot, Strike, Malicious Damage, Civil Commotion (RSMDCC)	5% from claim max. IDR 5 million / event
3	Typhoon, Storm, Flood, Water Damage (TSFWD)	10% from claim / event
4	Earth Quake, Volcanic Eruption, Tsunami (EQVET)	2,5% from sum insured / location
5	Others	IDR2,5 million / event



# Progress – Penetration

### Number of Assets



Office Building



Health Building



Education Building

Number of Insurance Company

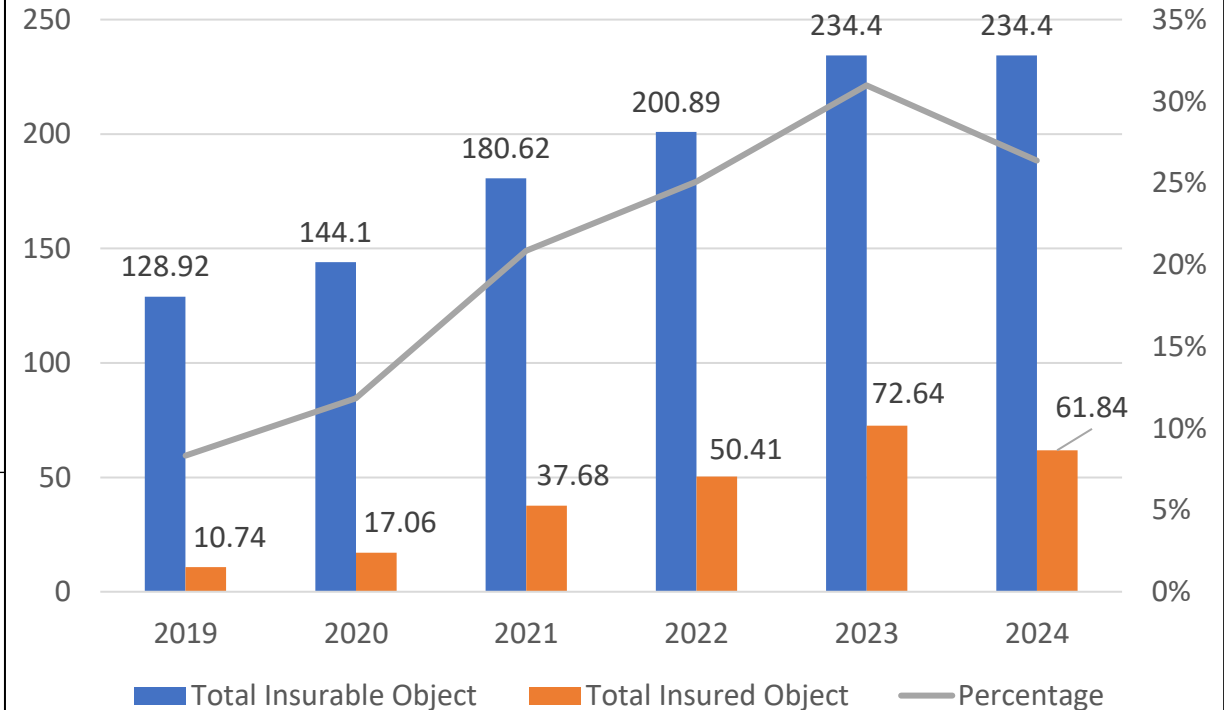
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General Insurance/  
reinsurance

19

Syaria Insurance/  
reinsurance

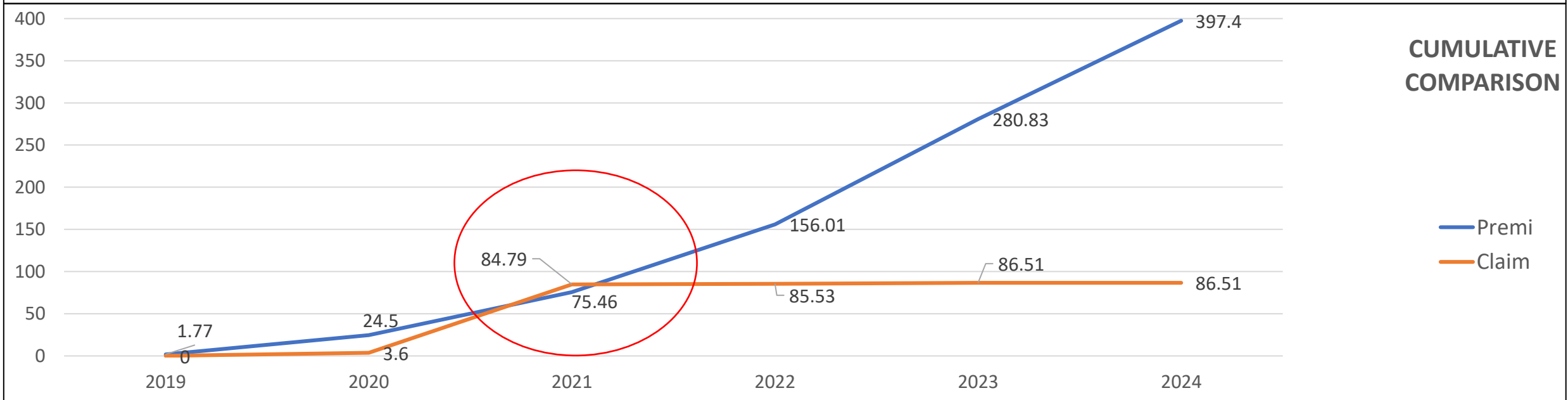
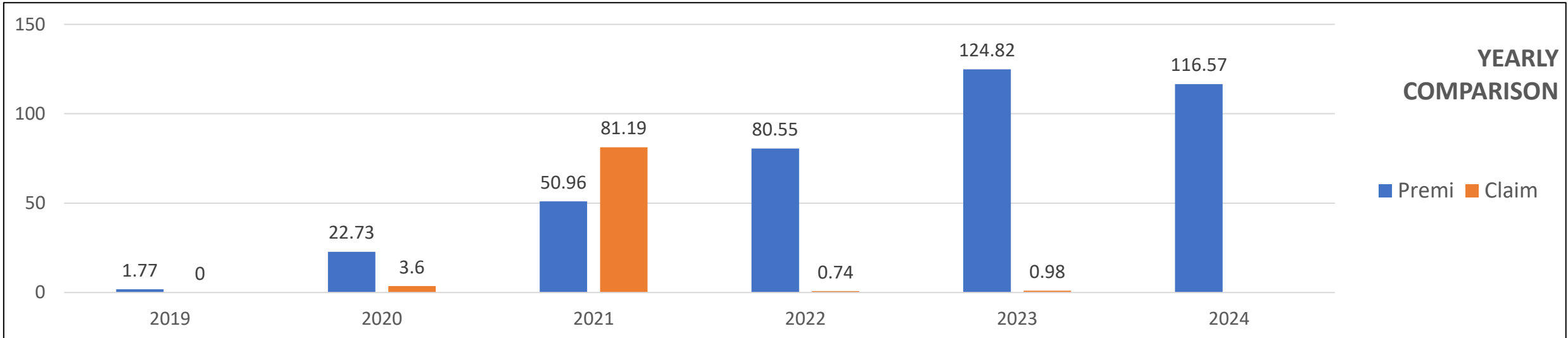
### Insured value



\* until Februari 2024



# Progress – Insurance Claim Ratio



\* until 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

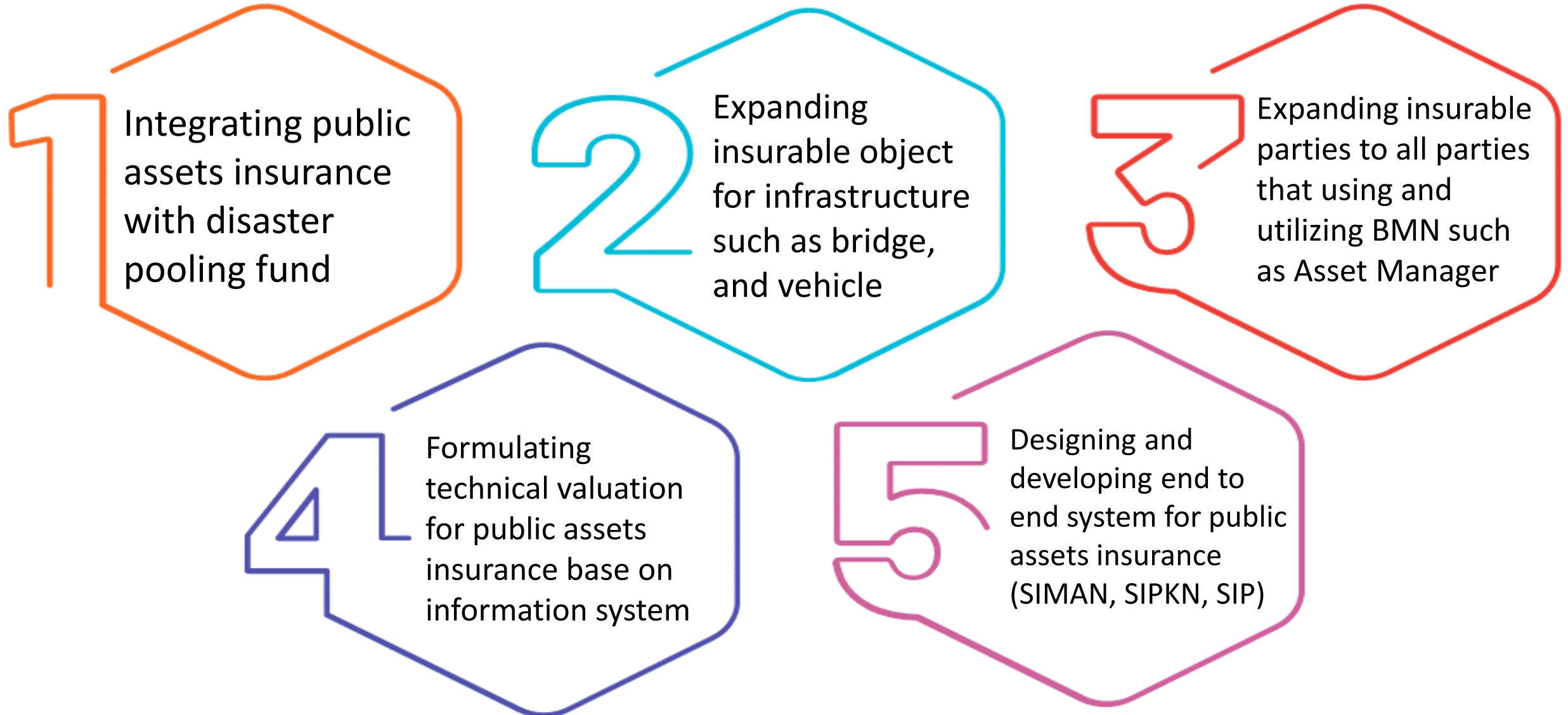


Bussiness  
Process

- ❑ Issued Manual Book
- ❑ Revised SLA for faster claim process
- ❑ Bussiness process integration with asset planning



# What's Next ?







**MINISTRY OF FINANCE**  
REPUBLIC OF INDONESIA

# THANK YOU

**Direktorat Jenderal Kekayaan Negara,**

**Kementerian Keuangan Republik Indonesia**

**Gedung Syafrudin Prawiranegara II**

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