



Alternative Resolution of Insurance Disputes Through Mediation in Financial Institutions

Muhammad Mukhtar Shidiq, Ro'fah Setyowati

Diponegoro University Semarang

mukhtar.shidiq@gmail.com, rofah@live.undip.ac.id

Article Info

Article History:

Received June 1 th, 2023

Revised June 2 th, 2023

Accepted June 2 th, 2023

Available online on June 10, 2023

Keyword:

Insurance Disputes, Dispute Resolution, Alternative Dispute Resolution Institution for the Financial Services Sector, Mediation, Arbitration.

DOI: 10.35891/ml.v14i1.3909

Corresponding Author:

Muhammad Mukhtar Shidiq

email: mukhtar.shidiq@gmail.com

ABSTRACT

This study aims to examine the process of resolving insurance disputes through the Alternative Dispute Resolution Institution for the Financial Services Sector (LAPS SJK). The research methodology used in this study is juridical-normative research with a statutory approach. LAPS SJK is an institution that facilitates dispute resolution through non-litigation channels outside of the court system. The findings of the study indicate that insurance disputes can be resolved through mediation or arbitration in LAPS SJK. The mediation process begins with the agreement of the parties to resolve the dispute through mediation at LAPS SJK. After submitting an application through the secretariat office of LAPS SJK, a mediator is appointed to guide the mediation process. This study provides an understanding of the process of resolving insurance disputes through LAPS SJK and provides important information for the parties involved in insurance disputes.

Paper type: Research paper

MALIA CC BY license. Copyright © 2022, the author(s)

Abstrak : Penelitian ini bertujuan untuk mengkaji proses penyelesaian sengketa asuransi melalui Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan (LAPS SJK). Metode yang digunakan dalam penelitian ini adalah penelitian yuridis-normatif dengan pendekatan perundang-undangan atau statute approach. LAPS SJK merupakan lembaga yang memfasilitasi penyelesaian sengketa melalui jalur di luar pengadilan (non-litigasi). Hasil penelitian menunjukkan bahwa penyelesaian sengketa asuransi melalui LAPS SJK dapat dilakukan melalui mediasi maupun arbitrase. Prosedur mediasi dimulai dengan kesepakatan para pihak untuk menyelesaikan sengketa melalui mediasi di LAPS SJK. Setelah mengajukan permohonan melalui kantor sekretariat LAPS SJK, mediator akan ditunjuk untuk memandu proses mediasi. Penelitian ini memberikan pemahaman tentang proses penyelesaian sengketa asuransi melalui LAPS SJK dan memberikan informasi penting bagi para pihak yang terlibat dalam sengketa asuransi.

Kata kunci: Sengketa Asuransi, Penyelesaian Sengketa, Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan, Mediasi, Arbitrase.

A. INTRODUCTION

Humans have long learned to manage their actions to avoid possible risks. The world of insurance has a very long history of evolution. It began with cross-border trading activities. Initially, insurance was practiced by merchants in a specific area in lowland England. In Mesopotamia, around 4000 years BC, the first regulations on insurance were found in the Code of Hammurabi by the Babylonians around 2250 BC.

The history of modern insurance started with the Romans. The idea of marine insurance agreements first emerged in the 12th century and then spread to several regions in Europe in the 14th century AD. In the early 1680s, a fire insurance company was established in the city of London as a result of a major fire that occurred in the city in early 1666, which burned down approximately 13,000 residential buildings and 100 church buildings.

The term "asuransi" is derived from the Dutch word "assurantie." In Dutch legal regulations, insurance is also referred to as "verzekering," which means coverage. The term "asuransi" can also be translated as "insurance" and "assurance." These two terms actually have different meanings. "Insurance" refers to covering all possible events that may occur, such as accidents and fires. On the other hand, the term "assurance" means covering something that is certain to happen, such as death.

In the business world, disputes can occur among various parties at any time and in various places. Disputes can arise between individuals, between individuals and groups or communities, between communities, between corporations, or between corporations and the government. In other words, disputes can be public or civil in nature and can occur on a local, national, or even international scale. Disputes can be understood as conflicts that arise between parties within a contractual agreement due to non-performance or breach of obligations by one party.

Dispute resolution can be pursued through litigation or alternative dispute resolution methods. Litigation involves following procedural norms that establish requirements for processing conflicts or disputes. On the other hand, non-litigation dispute resolution refers to the process of resolving disputes based on the agreement or consent of the parties involved, where the dispute resolution mechanism is entirely entrusted to the conflicting parties. Non-litigation dispute resolution, or out-of-court settlement, can involve various stages such as negotiation, mediation, conciliation, and arbitration.

Insurance disputes arise from conflicts between the insurer, which is typically an insurance institution or company, and the insured, who is the insurance policyholder. Insurance disputes often arise from discrepancies between the terms stated in the insurance policy and the reality when filing a claim. Policyholders may face difficulties when making claims even though they have fulfilled their obligations by regularly paying premiums according to the clauses in the policy. Many policyholders eventually cancel their policies due to the inability or failure of insurance companies to fulfill the claims of their policyholders.

The prevalence of insurance issues in recent times has drawn special attention, particularly concerning the effective resolution of disputes or conflicts between policyholders and insurance institutions. LAPS SJK has emerged as a new dispute resolution institution that is expected to provide insights and solutions in resolving insurance conflicts in Indonesia. Therefore, this research aims to analyze the resolution of disputes or conflicts between insurance policyholders and insurance companies through non-litigation channels, specifically through mediation at the Alternative Dispute Resolution Institution for the Financial Services Sector. This study will explore the mechanisms and procedures of mediation as an effort to settle insurance disputes at LAPS SJK.

B. THEORITICAL REVIEW

1. Insurance Dispute

Insurance disputes arise when there is a conflict or disagreement between the insurer and the insured regarding the fulfillment of insurance claims. These disputes occur when there is a discrepancy between the contents of the insurance policy and the reality of the claim submitted by the insured. Some reasons that can lead to insurance disputes include policy inconsistencies, questions about the eligibility of the claim, and slow or unsatisfactory claims handling (Aziz, 2021).

The resolution of insurance disputes can be pursued through litigation in court or through non-litigation methods such as mediation, arbitration, or other dispute resolution institutions. The Alternative Dispute Resolution Institution for the Financial Services Sector is one of the institutions that plays a role in resolving insurance disputes in Indonesia (Alwi, 2018).

Effective resolution of insurance disputes is crucial to protect the rights of insurance policyholders and maintain public trust in the insurance industry. The steps taken in the resolution of insurance disputes can vary depending on

the type of dispute and the chosen mechanism. One common approach is mediation, where the parties involved in the dispute work together with a neutral and trained mediator to achieve mutually beneficial agreements (Rafika, 2022).

The mediation process begins with the parties expressing their perspectives and sharing information related to the dispute. The mediator acts as a facilitator who assists in facilitating dialogue between the conflicting parties, seeking middle ground, and identifying adequate solutions. The mediator can also provide advice and recommendations, but the final decision remains in the hands of the disputing parties. The advantages of mediation in the resolution of insurance disputes include flexibility, confidentiality, and speed in reaching agreements. By actively involving the parties in the negotiation process, mediation allows them to have greater control over the final outcome and minimizes broader conflicts (Fauzi, 2019).

In addition to mediation, insurance disputes can also be resolved through arbitration. Arbitration involves a neutral third party called an arbitrator or an arbitration panel, who decides the dispute based on the evidence and arguments presented by the conflicting parties. Arbitration decisions are binding and final, and usually cannot be appealed to the courts. Effective resolution of insurance disputes also involves the application of applicable insurance laws and fairness in determining valid claims. Insurers are expected to fulfill their obligations according to the insurance policy, while insurance policyholders have the right to receive fair and timely claim payments (Nurbaiti, 2016).

2. Alternative Dispute Resolution Institution for the Financial Services Sector

The Alternative Dispute Resolution Institution for the Financial Services Sector is an institution responsible for resolving disputes or conflicts in the financial services sector, including insurance disputes. This institution was established as an alternative dispute resolution outside the court litigation process, with the aim of providing quick, effective, and fair solutions to the parties involved in the dispute. LAPS SJK functions as a mediator or intermediary between the risk underwriter and the risk insured who have disputes regarding insurance claims. Through the mediation process, LAPS SJK helps the parties reach mutually beneficial agreements and minimize broader conflicts (Rafika, 2022; Ulinihayati & Husein, 2022).

In addition to mediation, LAPS SJK may also utilize other mechanisms such as arbitration or structured negotiation to resolve disputes (Sunar et al.,

2016). Decisions made through LAPS SJK have legally binding force for both parties, allowing dispute resolution to take place without involving lengthy and complicated judicial processes. LAPS SJK plays a crucial role in maintaining public trust in the financial services sector, including the insurance industry. By providing effective alternative dispute resolution, LAPS SJK contributes to protecting the rights of insurance policyholders and ensuring the compliance of insurance institutions or companies with their obligations to fulfill insurance claims fairly and timely (Rambe et al., 2022).

Mediation is one of the commonly used methods in dispute resolution. It involves the disputing parties working together with a neutral mediator to reach a mutually beneficial agreement. The mediation process begins with the parties expressing their views and sharing information related to the dispute. The role of the mediator is that of a facilitator who assists in facilitating dialogue between the conflicting parties. The mediator seeks to find a middle ground, promote effective communication, and help the parties identify the core issues and adequate solutions. The neutral mediator does not have the final decision-making authority but can provide suggestions and recommendations to the disputing parties.

3. Mediation

The main advantages of mediation in dispute resolution are flexibility, confidentiality, and speed in reaching an agreement. In mediation, the parties have greater control over the process and the final outcome. Mediation also provides a space for the expression of emotions, interests, and needs that may be difficult to express in a formal litigation environment. The mediation process can help build better relationships between the conflicting parties as they actively engage in seeking solutions that are acceptable to both sides. Mediation also offers an opportunity to broaden understanding and perception of each party's perspectives and interests (Audi & Utomo, 2021).

However, it is important to note that mediation is voluntary, meaning that all parties must agree to participate in the mediation process. If mediation does not result in an agreement, the parties still have the option to proceed with litigation or explore other methods of dispute resolution (Nahdhah & Ambarsari, 2020). In the context of insurance dispute resolution, mediation can be an effective way to address disagreements between the risk insurer (insurance institution or company) and the risk insured (insurance policyholder) regarding claims. By involving trained and experienced mediators, mediation can help achieve satisfactory resolutions for both parties without involving lengthy and costly court proceedings (Kholid, 2020).

4. Arbitration

Arbitration is one of the commonly used methods in dispute resolution. In arbitration, the disputing parties submit their dispute to a neutral and independent arbitrator or arbitration panel. These arbitrators have the authority to hear arguments from both sides, evaluate the presented evidence, and make binding decisions. The arbitration process begins with the disputing parties agreeing on the terms and procedures to be followed in the arbitration. They then present their arguments and evidence to the arbitrator. The arbitrator conducts a fair and thorough examination of the presented evidence and listens to arguments from both sides. After considering all relevant information, the arbitrator renders a binding decision that is usually not subject to appeal in court (Efendi et al., 2021).

One of the primary advantages of arbitration is the speed and finality of the decision. The arbitration process is generally shorter compared to litigation, saving time and costs for the disputing parties. Additionally, arbitration offers greater privacy as the process is not open to the public like court proceedings. Arbitration also provides flexibility for the parties to select arbitrators who have specialized knowledge and expertise in the relevant field of the dispute. However, it is important to note that arbitration is voluntary, and the parties must agree to participate in the process. The decisions resulting from arbitration are binding, and the parties are obligated to comply with them. Arbitration is often used when the involved parties want to avoid formal court proceedings but still seek a fair and binding resolution for both sides (Gibran, 2021).

In the context of insurance dispute resolution, arbitration can be an effective option to resolve disagreements between the insurer (insurance institution or company) and the insured (insurance policyholder) regarding claims. By involving arbitrators with knowledge of insurance law and experience in arbitration, dispute resolution can be achieved quickly and efficiently, reducing the complexity and costs associated with traditional litigation processes (dalam Sudiarto & Asyhadie, 2004).

C. METHOD

This research is a type of juridical normative study that utilizes the method of juridical normative study to address legal issues in both practical and academic contexts (Nurhayati et al., 2021). This method involves analyzing the existing and evolving legal norms in society, as well as the legal rules related to the factual situations in society (Cohen & Olson, 2016). Furthermore, this research employs the method of descriptive analytical data analysis, which

provides a systematic understanding of the legal realities and the depiction of applicable legal norms. In conducting this research, the statute approach or legislative approach is utilized, which involves analyzing and examining models of legislation, regulations, and rules relevant to the legal issues under investigation (Campos, 2021).

Additionally, the theory of obligations serves as the theoretical foundation for this research. Within the context of contractual law, the principle of *mabda' hurriyyah tau'aqqud* or freedom of contract is applied, stating that everything promised by parties entering into an agreement automatically binds them, similar to the force of law (Abdul Kadir, 2015). By employing the method of juridical normative study, descriptive analytical data analysis, statute approach, and the theory of obligations, this research aims to investigate and provide an in-depth understanding of the legal issues at hand and construct arguments based on the applicable legal norms (Ngutra, 2016).

D. DISCUSSION

1. Establishment of Alternative Financial Services Sector Dispute Resolution Institution

The Alternative Dispute Resolution Institution for the Financial Services Sector is an institution that resolves non-litigation disputes outside of the court system. It was established on September 22, 2020, by Shelf Regulatory Organizations and organizations in the financial services sector. LAPS SJK obtained operational permission from the Financial Services Authority on December 29, 2020, and commenced its duties and functions on January 1, 2021. LAPS SJK is the only authorized alternative body in resolving disputes in the financial services sector, formally licensed by the OJK. As such, LAPS SJK officially assumes the functions and roles of the existing six previous dispute resolution institutions (BAMPPI, BMAI, BAPMI, BMDP, BMPPVI, and LAPSPI) in the financial services sector, while also expanding its operational scope to include resolving disputes in the financial technology (Fintech) sector (Heryanti et al., 2017).

The Alternative Dispute Resolution Institution for the Financial Services Sector is established based on the Financial Services Authority Regulation Number 61 of 2020. This institution serves as a body that organizes and provides integrated and structured dispute resolution services in the field of financial services. The establishment of LAPS SJK aims to ensure that dispute resolution services in the fintech sector are conducted fairly, independently, reliably, efficiently, effectively, and easily accessible, gaining the trust of

consumers and financial service providers. To fulfill its duties and functions, LAPS SJK has the following tasks and authorities (Nun Harrieti M.H, 2016):

- a. Resolving consumer disputes or conflicts.
- b. Providing consultation and complaint services regarding dispute issues in the fintech field.
- c. Conducting research and development to maximize dispute resolution services in the fintech field.
- d. Formulating procedural rules for dispute resolution between disputing parties in the fintech field.
- e. Establishing partnerships with consumer protection bodies or institutions at the national and international levels.
- f. Organizing training programs to enhance the knowledge and competence of arbitrators and mediators who are officially registered with LAPS SJK.

The resolution of disputes in the financial services sector through non-litigation channels, involving all Financial Service Providers or PUJK, is facilitated by a single institution known as the Alternative Dispute Resolution Institution for the Financial Services Sector (Syafitri, 2021).

2. Insurance Dispute Settlement Through at LAPS SJK

a. Mediation Mechanisms and Procedures at LAPS SJK

Mediation is a process of negotiating conflict resolution, facilitated by a neutral and impartial third party, who collaborates with the conflicting parties to reach a mutually beneficial agreement or outcome. This differs from dispute resolution through litigation or arbitration, as the mediator does not have the authority to decide the conflict. The mediator only facilitates and assists the parties in resolving the conflict entrusted to them. Mediation can also be defined as the intervention in a dispute by an acceptable, unbiased, and neutral intermediary or mediator who lacks the authority to make decisions but helps the conflicting parties in their efforts to find a mutually agreeable and cost-free peaceful resolution to the dispute (Ulinihayati & Husein, 2022).

Mediation through LAPS SJK is a part of the effort to resolve insurance disputes through consensus-building processes between the conflicting parties, mediated by a mediator from LAPS SJK, to obtain various options for conflict resolution without imposing will or making decisions, thereby achieving a peaceful settlement agreement that is based on the win-win solution principle. The mediation process is carried out by LAPS SJK according to established rules and procedures determined by LAPS SJK itself (Rafika, 2022).

The process of mediating insurance disputes in LAPS SJK begins with an agreement between the parties to resolve their insurance dispute through mediation at LAPS SJK. The parties or one of the parties then submit a Mediation Request to the Secretariat of LAPS SJK in accordance with the rules and regulations for mediating at LAPS SJK. LAPS SJK mediation is conducted based on a mediation request filed by the Applicant or the conflicting parties to the Management Office of LAPS SJK, which includes, at a minimum (M Rahman Adinata & Recca Ayu Hapsari, 2022):

- 1) Clear and complete identification, domicile, or positions of the conflicting parties.
- 2) Type and form of financial conflict.
- 3) Request for mediation.
- 4) Evidence of a mediation clause.
- 5) Information on the attempt to resolve the dispute through consensus-building.
- 6) Written summary of the initial occurrence of the dispute.
- 7) Photocopies of documents or supporting files or any necessary items as stipulated in points (1) to (6).

After receiving the request from the parties, the management, through the Secretariat of LAPS SJK, verifies and provides information regarding the rejection or acceptance of the mediation application within a maximum of 5 days from the registration date of the mediation application. If the mediation request registration is not accepted or rejected, the management will immediately send and deliver a confirmation letter to the applicants stating the reasons for the mediation request rejection. The applicants can re-submit the mediation application by fulfilling and completing the requirements as stipulated in these regulations (Kharisma, 2021).

After the registration request is received, LAPS SJK will determine the amount and type of fees to be paid by the parties. These fees include administrative fees, registration fees for Mediation Requests, meeting fees or tariffs, and fees for conducting the mediation process. The entire mediation fee components are paid by the respondents according to the invoice issued by the Secretariat or Secretary to the respondents. The Secretariat will issue a receipt or receipt confirmation of payment or a receipt stating the amount of the Mediation Fee to the respondents after LAPS SJK has received confirmation of the payment of these fees. If the respondents have not paid the mediation fee or tariff in accordance with the provisions of these Regulations, the

implementation of the mediation process may be postponed or terminated by the Managers (Aziz, 2021).

Once all mediation fees have been paid by the parties, within a maximum period of 10 days from the date of receipt of the confirmation letter of acceptance of the mediation request, the mediator in LAPS SJK must have been appointed and appointed by the disputing parties according to mutual agreement, unless the dispute case is a small claims and retail dispute, in which case the LAPS SJK administrators will appoint the mediator. If within a maximum period of 10 days after the request letter is received, as mentioned above, there is no agreement by the respondent parties in appointing a mediator, then the administrators will directly appoint a mediator within a maximum period of 7 days. Within a maximum period of 7 days from the date the mediator receives the appointment and determination letter from the administrators, the mediator must provide a confirmation answer accepting or rejecting the appointment. The mediator who receives the appointment letter must be willing to sign a confirmation letter stating their readiness and neutral stance or a statement that they are free from conflicts of interest between the parties to the case. Once the mediator has been appointed, the administrators will hand over the mediation request documents to the mediator through the Secretariat's office so that the timing of the mediation process can be determined as soon as possible (Krisnawati et al., 2023).

b. Results of Mediation Either Achieving Peace Or Not Achieving Peace

If the mediation between the parties in resolving an insurance dispute does not reach a settlement, the mediator may state that the mediation process has not reached a breakthrough or has failed. Mediation is considered not to reach a breakthrough if (Syaiful Anam, 2021):

- 1) Mediation does not achieve peace, even though the designated time has passed.
- 2) The dispute involves assets or wealth that is clearly related to another party, making it impossible to reach a conflict resolution process as desired by both parties without involving that other party.
- 3) There are parties who are absent or withdraw during the mediation process. There is a party that does not have good faith to end the dispute process through mediation.

In the event of an unsuccessful mediation, the mediator must convey it in writing to be given to the parties with a copy to the Management. If during the mediation process no agreement is reached, the dispute resolution process will be continued by the disputing parties to the Arbitration body in LAPS SJK.

In that case, all documents, data, facts, acknowledgments, statements, records, correspondences, and information obtained or arising since the mediation process took place cannot be used as evidence and shall be deemed not to have existed (Badruzaman, 2019).

c. Implementation of the Peace Agreement

The Peace Agreement through mediation in LAPS SJK for insurance dispute resolution is binding and urges the disputing parties to adhere to it in good faith, without any contradiction or objection. The disputing parties are obliged to implement and fulfill the provisions stated in the Peace Agreement according to the agreed clauses within the specified time frame. If any PUJK (Insurance Company) that is a member of LAPS SJK fails to comply with and implement the provisions of the Peace Agreement, their actions and behavior may be subject to legal sanctions in accordance with the provisions stated in the Articles of Association and the Financial Services Authority Regulation (Urlacher, 2023).

As a form of monitoring the implementation of the Peace Agreement, the disputing parties or one of the disputing parties can provide information on the outcome of the Peace Agreement to the management of LAPS SJK or to the Financial Services Authority. The management can also directly request information from the parties involved regarding the implementation of the provisions of the Peace Agreement by the conflicting parties (Pramudita et al., 2020).

If a peaceful agreement has been reached and the parties wish for the provisions of the Peace Agreement to be documented in a deed of peace, the Peace Agreement document must contain clauses that allow the conflicting parties to request an Arbitration Petition to the management for the issuance and preparation of the Deed of Peace. The Deed of Peace cannot be subject to cassation or appeal, and it is executory, legally binding, and can be equated with a court judgment that has obtained final legal force.

3. Case study of unit link insurance customer dispute resolution at LAPS SJK

The dispute involving a number of insurance customers or policyholders of unit link or investment insurance products, which involves three major insurance companies, namely Mandiri Prudential, AXA, and AIA, has continued until March 2022. It has been reported that some policyholders of unit link insurance policies have reached an agreement to pursue mediation through the Alternative Dispute Resolution Institution for the Financial Services Sector (LAPS SJK) to settle their claims or complaints regarding their

unit link policies with the aforementioned three major insurance companies (Fauzi, 2019).

Previously, the case began when 200 policyholders from the three insurance companies mentioned above, represented by the Insurance Victim Community (KKA), requested the companies to fully refund their unit link premiums. On January 12, 2022, the Financial Services Authority (OJK) mediated between the parties by involving OJK investigators and elements of the police to provide legal perspectives on the issue. The mediation revealed that issues related to unit link products often resulted from misselling of insurance products by marketing agents or insurance agents, leading some policyholders to feel deceived by the insurance agents during the initial policy promotion. During the mediation process, the insurance companies offered an option for policyholders to refund 50% of the total premium amount paid by the policyholders, after deducting the value of benefits already received by the policyholders. The policyholders refused to accept this option and insisted on a 100% refund of their premiums. They argued that there were policyholders who had already terminated their policies but still received a full refund of their premiums. Overall, there are still 260 policyholders from the three insurance companies, with a total premium amount reaching IDR 21.95 billion, consisting of 121 policyholders from Prudential Insurance with a premium amount of IDR 9.88 billion, 55 policyholders from AXA Mandiri Insurance with a premium of IDR 4.88 billion, and 84 policyholders from AIA Insurance with a total premium amount of IDR 7.18 billion (Aziz, 2021).

The process of resolving consumer disputes through LAPS SJK is carried out when disputes between policyholders or consumers and financial service business entities cannot be resolved internally. The three insurance companies were previously reported to have reached a settlement with some policyholders. It was reported that several policyholders have already received refunds of their premiums through bilateral settlements via the internal dispute resolution process. The Financial Services Authority (OJK) urged policyholders of unit link policies who have not yet reached a settlement to continue their disputes through the LAPS SJK office. However, some policyholders who are members of the Insurance Victim Community (KKA) rejected the OJK's suggestion, as the disputes involved in the issue are massive, and the dispute resolution through LAPS SJK is handled on a case-by-case basis for each policyholder. They are concerned that LAPS SJK would refuse to accept complaints from these policyholders. This is based on the testimony of several

policyholders who have filed for dispute resolution through LAPS SJK but have received rejections on the grounds mentioned (Heryanti et al., 2017).

In POJK No. 61 of 2020, Article 32 regarding Dispute Resolution by LAPS SJK states that LAPS SJK will handle disputes with the following characteristics:

- 1) The complaint has been attempted to be resolved through the financial service business entity (PUJK) but was not accepted by the customer, or the customer has not received confirmation of the complaint as stipulated in the OJK regulations related to consumer complaint services in the financial services sector.
- 2) The dispute case submitted by the customer is not a case that has been decided or is in the process of litigation in a court, arbitration, or other alternative dispute resolution institutions.
- 3) The dispute case is not criminal in nature but civil in nature.

If we examine the above provisions regarding dispute criteria, there is no mention of "massive" as a criterion that cannot be resolved through LAPS SJK. The explanation of the scope regarding the dispute criteria also does not specify the number limit of customers involved in the dispute case. Likewise, when looking at LAPS SJK Regulation No. 1 regarding mediation procedures and LAPS SJK Regulation No. 2 regarding arbitration procedures, there is no restriction on the number of customers involved in the dispute. In fact, in POJK No. 18 of 2018, there are regulations regarding the representation of customers or consumers who act on behalf of and for the name of the consumer, based on a special power of attorney from the customer or consumer. From the above explanation, LAPS SJK should accept their complaints and provide mediation services to the disputing parties in order to find win-win solutions to the problems experienced by customers and insurance companies. Rejecting complaints with the reason of being "massive" cannot be considered a guideline, considering that this phrase is not stipulated in OJK regulations or LAPS SJK regulations (Syara, 2017).

The use of the term "massive" has even received criticism from insurance expert Kornelius Simanjutak, who states that an insurance conflict or dispute can be called a massive conflict if all or the majority of consumers or customers of one insurance company collectively file cases related to their issues. Examples of massive insurance dispute cases involving an insurance company or business entity are when millions of policyholders cannot receive their policy benefits because the company is no longer able to fulfill the rights and obligations of the policyholders. However, in the case of unit link policies

from the three life insurance companies mentioned by the KKA representative above, the companies are financially healthy and strong. Therefore, rejecting a case on the grounds of being "massive" by LAPS SJK is an inappropriate reason (Munalar, 2022).

E. CONCLUSION

The Alternative Dispute Resolution Institution for the Financial Services Sector was established based on the Financial Services Authority Regulation No. 61 of 2020. Insurance disputes can be resolved through LAPS SJK using either mediation or arbitration. The mediation process can be initiated when the disputing parties agree to resolve their dispute through mediation at LAPS SJK. The parties then submit an application to the secretariat office. Once the application is received, LAPS SJK will appoint a mediator to facilitate the mediation process. If a peaceful settlement is reached through mediation, the parties and the mediator can document the agreement in a Peace Agreement document. If the parties wish to formalize the Peace Agreement in a notarial deed, the Peace Agreement must include a clause allowing the parties to request arbitration for the creation and issuance of the Deed of Peace. The Deed of Peace cannot be appealed or cassated and has the legal force that is binding and equivalent to a final court judgment.

REFERENCE

- Abdul Kadir, M. (2015). Hukum Dan Penelitian Hukum. *Bandung: PT. Citra Aditya Bakti.*, 8(1), 52.
- Alwi. (2018). Tinjauan Yuridis Kewenangan Peradilan Agama Dalam Injauan Yuridis Kewenangan Peradilan Agama Dalam Menyelesaikan Sengketa Asuransi Syariah Menurut Menyelesaikan Sengketa Asuransi Syariah Menurut Hukum Positif. *Bitkom Research*, 63(2), 1–3.
- Anam, S. (2021). Pendekatan dalam Penyelesaian Sengketa Perusahaan Asuransi. *Ar-Ribhu: Jurnal Manajemen Dan Keuangan Syariah*.
- Audi, M., & Utomo, S. L. (2021). Mediasi Perbankan Dalam Penyelesaian Sengketa Antara Nasabah Dan Bank. *SUPREMASI Jurnal Hukum*, 2(2), 1–14.
- Aziz, M. R. (2021). Pilihan Penyelesaian Sengketa Asuransi Di Indonesia. *JISIP (Jurnal Ilmu Sosial Dan Pendidikan)*, 5(2).
- Badruzaman, D. (2019). Perlindungan Hukum Tertanggung Dalam Pembayaran Klaim Asuransi Jiwa. *Amwaluna: Jurnal Ekonomi Dan Keuangan Syariah*, 3(1), 96–118.

- Campos, A. Q. (2021). Innovation, conformity and other ambivalences in fashion design. *Modapalavra E-Periódico*, 14(33).
- Cohen, M. L., & Olson, K. C. (2016). Legal research in a nutshell. In *West nutshell series; Nutshell series*.
- dalam Sudiarto, P. A., & Asyhadie, Z. (2004). Mengenal Arbitrase Salah Satu Alternatif Penyelesaian Sengketa Bisnis. *RajaGrafindo Persada, Jakarta*.
- Efendi, H., Rahman, A., & Fitriyah, F. (2021). Ligitimasi Hukum Arbitrase Syariah Dalam Penyelesaian Sengketa Keuangan Syariah di Indonesia. *Al-Muamalat: Jurnal Ilmu Hukum & Ekonomi Syariah*, 6(2), 28–42.
- Fauzi, W. (2019). Pengaturan Pengajuan Gugatan Oleh Otoritas Jasa Keuangan Dalam Penyelesaian Sengketa Asuransi Di Indonesia. *ADHAPER: Jurnal Hukum Acara Perdata*, 5(1), 75. <https://doi.org/10.36913/jhaper.v5i1.89>
- Gibran, F. R. (2021). Kepastian Hukum Penyelesaian Sengketa Bisnis Melalui Arbitrase. *Lex LATA*, 179–191.
- Heryanti, B. R., Muryati, D. T., & Yulistiyowati, E. (2017). Analisis Penyelesaian Kontrak Asuransi Melalui Lembaga Otoritas Jasa Keuangan. *Jurnal Dinamika Sosial Budaya*, 17(2), 210. <https://doi.org/10.26623/jdsb.v17i2.474>
- Kharisma, D. B. (2021). Tantangan Laps Sektor Jasa Keuangan Sebagai Alternatif Penyelesaian Sengketa Di Sektor Financial Technology. *Perspektif*, 26(3), 216–220. <https://jurnal-perspektif.org/index.php/perspektif/article/view/810>
- Kholid, M. (2020). PENYELESAIAN SENGKETA PERBANKAN MELALUI LEMBAGA MEDIASI PERBANKAN. *ADLIYA: Jurnal Hukum Dan Kemanusiaan*, 8(1), 127–142. <https://doi.org/10.15575/adliya.v8i1.8624>
- Krisnawati, F., Erowati, E. M., & Kusumasari, P. R. (2023). Penyelesaian Klaim Asuransi Jiwa Bagi Relawan Kemanusiaan Palang Merah Indonesia. *Cakrawala Hukum: Majalah Ilmiah Fakultas Hukum Universitas Wijayakusuma*, 25(1), 33–40. <https://doi.org/10.51921/chk.v25i1.226>
- M Rahman Adinata, & Recca Ayu Hapsari. (2022). Tinjauan Yuridis Perlindungan Konsumen Terhadap Masyarakat Yang Melakukan Fintech Peer-To-Peer Lending Atau Layanan Pinjam Meminjam Uang Berbasis Teknologi Informasi (Lpmubti) Dalam Sebuah Aplikasi Pinjaman Online (Julo) (Studi Penelitian : Otoritas Jasa. *Case Law*, 4(1).
- Munalar, H. S. S. (2022). Mediasi Sebagai Alternatif Penyelesaian Sengketa Asuransi Bancassurance antara Tertanggung dan Perusahaan Asuransi Berdasarkan Perma No. 1 Tahun 2016 Tentang Prosedur Mediasi di Pengadilan. *Rechtsregel : Jurnal Ilmu Hukum*, 5(1), 91.

- Nahdhah, & Ambarsari, N. (2020). Mediasi Perbankan melalui Lembaga Alternatif Penyelesaian Sengketa Perbankan Indonesia (LAPSPI). *Banua Law Review*, 2(1), 17–31.
- Ngutra, T. (2016). Hukum Dan Sumber-Sumber Hukum. *Jurnal Supremasi*, XI(Sumber Hukum), 193–210. <https://www.jurnalhukum.com>
- Nun Harrieti M.H, S. H. (2016). Kewenangan Bank Indonesia Dan Otoritas Jasa Keuangan Pasca Berlakunya Pojk Nomor 1/Pojk.07/2013 Dan Pojk Nomor 1/Pojk.07/2014 Terhadap Penyelesaian Sengketa Nasabah Di Indonesia. *Jurnal Ilmiah Hukum DE'JURE: Kajian Ilmiah Hukum, Vol 1 No 2 (2016)*: 329–343.
- Nurbaiti, S. (2016). Mediasi: Salah Satu Alternatif Penyelesaian Sengketa Asuransi di Indonesia. *Jurnal Hukum PRIORIS*, 2(1), 28–41.
- Nurhayati, Y., Ifrani, I., & Said, M. Y. (2021). Metodologi Normatif Dan Empiris Dalam Perspektif Ilmu Hukum. *Jurnal Penegakan Hukum Indonesia*, 2(1), 1–20. <https://doi.org/10.51749/jphi.v2i1.14>
- Pramudita, S. A., Kartikasari, K., & Cahyadini, A. (2020). Kedudukan Hukum Menkominfo Dalam Pelaksanaan Perdamaian Menurut Undang-Undang Nomor 37 Tahun 2004 Tentang Kepailitan Dan Penundaan Kewajiban Pembayaran Utang. *Legal Standing : Jurnal Ilmu Hukum*, 4(1), 101.
- Rafika, R. (2022). Penyelesaian Sengketa Asuransi Melalui Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan. *SALAM: Jurnal Sosial Dan Budaya Syar-I*, 9(4), 1209–1222. <https://doi.org/10.15408/sjsbs.v9i4.26601>
- Rahmawati, E., & Mantili, R. (2016). Penyelesaian Sengketa Melalui Lembaga Alternatif Penyelesaian Sengketa di Sektor Jasa Keuangan. *PADJADJARAN Jurnal Ilmu Hukum (Journal of Law)*, 3(2), 240–260.
- Rambe, T. A. F., Sunarmi, S., Siregar, M., & Sukarja, D. (2022). Kewenangan Badan Penyelesaian Sengketa Konsumen Kota Medan Memeriksa Sengketa Konsumen Jasa Keuangan Pasca Terbentuknya Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan. *Locus Journal of Academic Literature Review*, 109–116. <https://doi.org/10.56128/ljoalr.v1i2.57>
- Syafitri, I. (2021). Perlindungan Konsumen Industri Asuransi Oleh Otoritas Jasa Keuangan. *Juripol*, 4(2), 307–319. <https://doi.org/10.33395/juripol.v4i2.11156>
- Syaiful Anam. (2021). Pendekatan Dalam Penyelesaian Sengketa Perusahaan Asuransi. *Ar-Ribhu : Jurnal Manajemen Dan Keuangan Syariah*, 2(1), 47–64.
- Syara, I. M. (2017). Metode Penyelesaian Sengketa Dalam Kontrak Asuransi Syariah. *Fenomena*, 9(1), 197–215.

Ulinihayati, N., & Husein, Y. (2022). Penyelesaian Sengketa Perasuransian Melalui Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan (LAPS SJK). *Masalah-Masalah Hukum*, 51(3), 209–221.

Urlacher, B. (2023). State Building and Peace Agreement Implementation. *Defence and Peace Economics*, 34(1), 112–127.