

**Legal Consequences of PT Bankruptcy Decision. Krishna Life Insurance
(Supreme Court Decision No. 647 K/Pdt.Sus-Pailit/2021)**

¹Rika Mayani, ² Tri Indah Lestari

Faculty Law and Bussines

Duta Bangsa Surakarta University

Email: ¹ rikam1616@gmail.com Email: ² Lestariindah515@gmail.com

ABSTRAC ;

*Insurance or insurance protection arises from the fundamental human need to manage risks that may occur, whether consciously or unconsciously, in their lives. To address these risks, various insurance products have been developed, particularly unit-linked life insurance products that combine both protection and investment features. PT Kresna Life is one of the companies offering this unit-linked insurance product, known as *Kresna Link Investor Life Insurance (K-LITA)*. However, over time, PT Kresna Life faced liquidity problems that led the company to default on its obligations. As a result, the company was declared bankrupt by the Supreme Court (MA) in 2018, as stated in Supreme Court Decision Number 647 K/Pdt.Sus-Bankruptcy/2021 issued on June 8, 2021. This article discusses the bankruptcy petition filed against PT Kresna Life in that Supreme Court decision, as well as the legal consequences that arose, particularly for policyholders. This research uses a normative legal research methodology, examining legal literature such as regulations, journals, books, court decisions, documents, and other relevant academic works. The findings of the research indicate that after the bankruptcy of PT Kresna Life, the company lost control over the assets of its policyholders. The management of these assets was transferred to the bankruptcy administrator, making it increasingly difficult for policyholders to receive insurance benefits. The liquidation process by the administrator typically takes a considerable amount of time. After liquidation, additional costs such as administrator fees and taxes are deducted from the liquidation proceeds, resulting in a 4.444% reduction in the amount received by the policyholders. The bankruptcy of PT Kresna Life has a significant impact on policyholders, with a lengthy liquidation process and a reduction in the amount of insurance claims paid out. As a form of accountability, the debtor may submit a Financial Rehabilitation Plan (RPK) to the Financial Services Authority (OJK) in an effort to meet its obligations to policyholders.*

Keyword : Authority, life insurance, bankruptcy

INTRODUCTION

Companies, whether legal entities or non-legal entities, aim to conduct their business activities to achieve long-term and sustainable profits. However, in the course of these activities, companies often face various challenges, some of which remain unresolved, eventually leading to the company being declared bankrupt. Bankruptcy refers to situations where a debtor is unable to pay their debts to creditors. According to Poerwadarminta, "bankruptcy" is defined as "the state of being bankrupt," which generally refers to a business or company that has incurred significant losses before going bankrupt.

An insurance company, as defined in Article 6, Paragraph 1 of the Insurance Law No. 40 of 2014, is a legal entity in the form of a limited liability company, which holds insurance rights

and engages in legal actions involving contracts. An insurance company is an entity that possesses its own assets and can be sued through its management. Insurance covers various risks and uncertainties that threaten individuals' situations. In the context of insurance, "peril" or "risk" refers to an event that has the potential to cause loss. Insurance companies are responsible for covering the financial consequences of such events, leaving them vulnerable to potential losses. These losses are managed through insurance contracts. The purpose of an insurance contract is to mitigate the negative consequences of undesirable events. Risk managers need to be aware of the terms and conditions established in these contracts. There are various types of risks that can threaten human life, such as death, illness, accidents, and other unforeseen events.

Kresna Life, a life insurance company, has encountered operational difficulties. It offers two insurance products: Kresna Link Investa Life Insurance (K-LITA) and Protecto Investa Kresna Life Insurance (PIK), to individuals seeking insurance. However, both products experienced liquidity issues in their investment portfolios, exacerbated by the economic crisis triggered by the COVID-19 pandemic in 2020.

As a result of the COVID-19 pandemic, PT AJK began postponing insurance policy payments to its customers. Customers, as policyholders, were encouraged to report PT AJK to the Financial Services Authority (OJK), which oversees the financial sector, to ensure that the company fulfills its obligations. One customer, Mr. Lukman Wibowo, became frustrated with the lack of response from the OJK after several months and ultimately filed a request for a temporary suspension of debt payment obligations (PKPU) against PT AJK. Despite PT AJK's authority to file for PKPU, no response was received from the OJK, which led Mr. Wibowo to file a PKPU petition with the Commercial Court on November 18, 2020. On December 10, 2020, the court granted PT AJK temporary PKPU status for 45 days. Legal issues often involve law enforcement mechanisms, and it is noteworthy that four PKPU petitions were granted during PT AJK's case, with judges recognizing the legal status of the applicant as a creditor.

According to Law No. 40 of 2014 on Insurance (known as the Insurance Law), although it specifically governs insurance institutions, regulation and supervision fall under the authority of the OJK. Meanwhile, Law No. 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations (UUKPKPU) grants this authority to the Ministry of Finance, which was later transferred to the OJK as outlined in Article 55 of Law No. 37 of 2004 and Law No. 21/2011 on the OJK.

When an insurance company fails to pay customers, the customers' rights cannot be enforced. One action customers can take to protect their rights is to enforce PKPU and initiate bankruptcy proceedings against the insurance company. However, if PKPU and bankruptcy proceedings are initiated, the OJK must represent the customers' interests, even though, according to Supreme Court Decision No. 389/Pdt.Sus-PKPU/2020/PN, customers (as petitioners) can directly submit PKPU requests to PT Kresna Life Insurance. In this decision, the judge ruled that customers have the legal standing to submit PKPU claims against the insurance company, but only specific parties are authorized to make such claims, which contradicts established legal provisions. In the case of filing PKPU, customers can submit a bankruptcy petition against the insurance company through the OJK.

This situation prompted the author to conduct research on the "Legal Consequences of the Bankruptcy Decision of PT Kresna Life Insurance (Supreme Court Decision No. 647 K/Pdt.Sus-Pailit/2021)."

RESEARCH METHODS

This study uses a descriptive analytical research method, which describes the relevant laws and regulations and links them to legal theories, as well as the practice of implementing positive law regarding the above issues. It is included in the type of normative legal research, which refers to legal norms contained in statutory regulations and norms that apply in society. The research method used is the library method, which involves collecting information about the subject matter.

DISCUSSION

Legal Consequences of Bankruptcy Decisions on PT. Kresna Life Insurance (Study of Supreme Court Decision Number: 647 K/Pdt. Sus-Pailit/2021)

The legal implications of a bankruptcy decision regarding an insurance company on the rights of policyholders who face default on life insurance products are significant. The bankruptcy of Kresna Life Insurance, as outlined in Supreme Court Decision No. 647 K/Pdt.Sus-Pailit/2021, and the PKPU decision (No. 389/Pdt.Sus-PKPU/2020/PN) submitted by several customers, highlight the challenges faced by policyholders when insurance companies fail to make payments. Specifically, policyholders holding Kresna Life Insurance's Link Investa (K-LITA) product have not received their payments, as the company has not fulfilled its financial obligations.

In the PKPU case, under Article 285(2) of Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligations, the court had initially ruled that customers (as creditors) could file for PKPU against the insurance company. However, the Supreme Court's ruling in Decision No. 647 K/Pdt.Sus-Pailit/2021 reversed this decision, declaring the previous decision (389/Pdt.Sus-PKPU/2020/PN) to be incorrect. As a result, this reversal of the PKPU decision significantly complicates customers' ability to enforce their rights against the insurance company.

The Supreme Court's decision makes it more difficult for customers to assert their claims against insurance companies with PKPU status. In light of this, the OJK (Financial Services Authority), which oversees financial institutions including insurance companies, holds the legal authority to file bankruptcy petitions against insurance companies on behalf of policyholders as creditors. This has created a strong legal precedent, as only the OJK is legally authorized to submit such bankruptcy petitions. However, the OJK has not responded to the customers' requests to submit PKPU or bankruptcy petitions, creating a legal gap and leaving policyholders without recourse.

In response to this, customers may need to explore other legal avenues to protect their rights. As discussed, Article 2, paragraph (5) of the Bankruptcy Law (UUKPKPU) allows for the pursuit of legal remedies outside of bankruptcy proceedings. This means that customers may still seek civil remedies for breach of contract, as governed by Article 1338 of the Civil Code. In cases of default by the insurance company (for example, failure to pay out claims despite

receiving premium payments from policyholders), customers can initiate lawsuits to enforce their rights.

If the OJK refuses to file for bankruptcy against an insurance company, this could be seen as a violation of legal duties, thus justifying further legal action by the policyholders. In cases where the insurance company meets the criteria for bankruptcy as outlined in Article 2, paragraph (1) of the UUK, the OJK could potentially be held accountable for failing to uphold its obligations, which could constitute an unlawful act under Article 1365 of the Civil Code. This provision addresses the breach of legal obligations that the OJK has, especially in ensuring that financial institutions, such as insurance companies, meet their legal and contractual responsibilities to consumers.

Therefore, policyholders have several legal remedies at their disposal. They may either seek to pressure the OJK into fulfilling its duties or pursue independent legal actions, such as filing lawsuits for breach of contract, or holding the OJK accountable for failing to act on their behalf.

CONCLUSION

This research examines the legal implications of the bankruptcy ruling of PT Kresna Life Insurance, as outlined in Supreme Court Decision No. 647 K/Pdt.Sus-Pailit/2021, with an emphasis on the rights of policyholders affected by the company's failure to settle insurance claims. In this case, PT Kresna Life encountered liquidity problems worsened by the COVID-19 pandemic, resulting in delayed claim payments to policyholders. Consequently, several policyholders filed requests for a Suspension of Debt Payment Obligation (PKPU). The Supreme Court's ruling in Decision No. 647 K/Pdt.Sus-Pailit/2021 overturned a prior decision that had allowed policyholders to directly initiate a PKPU against the insurance company, clarifying that only the OJK (Financial Services Authority) is authorized to file PKPU or bankruptcy petitions on behalf of policyholders. This decision poses considerable legal challenges for policyholders, as it removes their ability to pursue direct action via PKPU or bankruptcy proceedings. At the same time, the OJK, which holds the legal authority, has not addressed the requests made by the policyholders. This situation exacerbates the difficulties for policyholders who are already impacted by the company's failure to pay claims, leaving them without access to the legal safeguards they should be entitled to. Nevertheless, the study indicates that policyholders still have alternative legal recourse, such as pursuing civil lawsuits for breach of contract under Article 1338 of the Civil Code. They can take legal action against the insurance company or even the OJK if it fails to meet its legal obligations. Therefore, while policyholders cannot directly file for bankruptcy or PKPU, they maintain the right to seek compensation through other legal avenues, including suing the OJK for neglecting its responsibilities. In conclusion, this decision underscores the vital role of the OJK in safeguarding consumer rights and provides a more comprehensive understanding of the legal frameworks designed to protect policyholders affected by the bankruptcy of insurance companies.

REFERENCE

Alfi, Muhammad, Susilowati, 2017, "Authority of the Financial Services Authority in Cases Corporate Bankruptcy", Diponegoro Law Journal, Vol. 6 No. 1.

Pungki Herayani, 2020, "Legal Protection for the Insured in Unit Link Life Insurance" Al Qodiri: Educational, Social and Religious Journal, Faculty of Law, University of Surabaya, Vol 18 No. 1.

Ichsan, and Suriaatmadja, 2019, "Legal Protection for Insurance Policy Holders in Bankrupt Insurance Companies Due to Revocation of Licenses by the Financial Services Authority (OJK)

Based on Law Number 40 of 2014 concerning Insurance", Journal of Legal Science Proceedings, Vol. 5 No. 2.

Wasita, Agus, 2020, "Legal Protection for Life Insurance Policy Holders", Journal Becoss Bina Nusantara University, Vol. 2 No. 1

Law Number 40 of 2014 concerning Insurance, State Gazette of the Republic Indonesia Year 2014 Number 337, Supplement to the State Gazette of the Republic of Indonesia Number 5618.

Law Number 37 of 2004 concerning Bankruptcy and Postponement of Debt Payments, State Gazette of the Republic of Indonesia of 2004 Number 135, Supplement to State Gazette of the Republic of Indonesia Number 4443

Abrory, M. Y. (2021). JURIDICAL IMPLICATIONS OF ADMINISTRATIVE DECISION REGULATION POSITIVE FICTIONAL AND NEGATIVE FICTIONAL COUNTRIES. State And Justice, 10(2), 180. <https://doi.org/10.33474/Hukum.v10i2.13182>

Aji, B. S., Warka, M., & Congress, E. (2021). Application of Force Majeure Clauses in Credit Agreements during the COVID-19 Pandemic. Champion Familiar Journal, 6(1).

Aprita, S. (2019). AUTHORITY OF THE COMMERCIAL COURT IN EXAMINING AND DECIDED THE CASE OF THE APPLICATION FOR BANKRUPTCY DECLARATION. Journal of Ocean Law

Justice. <https://doi.org/10.33059/jhsk.v14i1.1178>

Budhisatrio, J. B., K Harjono, D., & Nadapdap, B. (2021). Bankruptcy Application by Consultant to PT. Prudential Life Assurance. Journal of Health Sciences, 2(11), 2105–2122. <https://doi.org/10.46799/jsa.v2i11.337>

Purbandari, 2014, Legal Responsibilities of Limited Liability Companies (PT) Declared Bankrupt, Journal of the Faculty of Law, MPU Tantular University, Volume I, Number 1

Law Number 25 of 2007 concerning Capital Investment Law Number 21 of 2011 concerning the Financial Services Authority Law Number 30 of 2014 concerning Government Administration

