

Benefits and Advantages of Having Insurance in Life

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Abstract

This article was made to find out more about the Benefits and advantages of Having Insurance in Life in general. As for the understanding of insurance, which is an economic institution that serves as one form of risk management and is one of the modern and effective ways to overcome personal risk. Insurance itself is known in various types or types and is grouped according to focus and risk. This focus and risk determines the measure of uniformity in the risks borne according to the type of policy. In the type and focus of course this insurance has many benefits and advantages. This paper uses descriptive qualitative research with case study techniques. The results of this article state that insurance clearly provides benefits and advantages in everyday life

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INTRODUCTION

In human life conscious or uncertain will face risks. As stated by Agus Prawoto, the risk can come from various things that are not expected, but from a possibility (probability). "It's just that, any risk that will be faced by the person concerned, depends very much on what activity is being carried out by the individual. A small example in the field of business, in this field almost certainly no business is free from risk, for example fire businesses, business managers or employees get accidents know they may even die. It could be that some of these risks are already suspected. Therefore, we can prevent the occurrence of large risks by preparing it well. But among these risks there are certainly causes of unexpected risks that can cause losses, both material and immaterial, for example the loss of a loved one or someone who becomes the backbone of the family in making a living, loss of property. The onset of this loss often causes new problems bag parties who get disaster. It is a form of risk management and is one of the modern and effective ways to overcome personal risk. Insurance in this day and age has developed quite rapidly. This is evidenced by the growing number of insurance companies. Insurance has a central role that has felt the benefits until now. The main function of insurance is to provide protection against the occurrence of unexpected events that can be detrimental. One of the obligations of the state is to protect every citizen whether physically, mentally, socially and economically in return for the loyalty of its citizens to the state, either in the form of regular tax payments or submission to the rule of law in the country. The point is also covered in Pancasila and the 1945 Constitution as the constitution of the Indonesian state which is the fruit of the nation's thinking since the beginning of independence. Realization of such protection in the context of protection, insurance, or social security. The man who lives in the world cannot be separated from the unexpected events that befall him. Despite having been careful, one would not be able to absolutely avoid the dangers of illness, accidents, death, fire and other dangers that might be faced in life. Basically the event as above is an uncertain event, unpredictable and

impossible to avoid. Therefore, insurance appears to protect a person from unexpected events. One of them is labor social insurance which is one type of insurance activity that provides social security protection for workers in the formal sector such as work accident guarantee, old age or retirement guarantee, death guarantee, and health insurance. Therefore, in modern times like this there are many ways to reduce the risks that will arise in everyday life. Both unexpected and unexpected risks. These risks can be reduced by the insurance provided by several institutions in Indonesia. Insurance is an economic institution that serves as a form of risk management and is one of the modern and effective ways to overcome personal risk. Insurance in this day and age has developed quite rapidly. This is evidenced by the growing number of insurance companies. Insurance has a central role that has felt the benefits until now. The main function of insurance is to provide protection against the occurrence of an unexpected event that can be detrimental.

THEORETICAL FRAMEWORK

1. Insurance

Insurance is an agreement between the insurance company and the policyholder that becomes the basis for the receipt of premiums by the insurance company. According to KBBI: " (Insurance, as a verb, is) coverage (agreement between two parties, one party is obliged to pay dues and the other party is obliged to provide full guarantee to the payer of dues in case something happens to the first party or his or her property in accordance with the agreement made)" And According to the Law of the Republic of Indonesia No. 40 of 2014 on Insurance: "Insurance is an agreement between two parties, namely the insurance company and policyholder, which becomes the basis for the receipt of premiums by the insurance company in return for providing reimbursement to the insured or policyholder for loss, damage, costs incurred, loss of profit, or legal liability to a third party that may be suffered by the insured or policyholder due to the occurrence of an uncertain event; or provide payments based on the death of the insured or payments based on the life

of the insured with benefits of the magnitude that have been determined and / or based on the results of fund management.

Thus, insurance as an agreement has the substance of transferring risks for losses suffered by the insured both life losses and property losses. Therefore, there are various types of insurance that can generally be grouped into life insurance and property and property loss insurance. Special about property loss insurance can consist of various types of insurance including commercial property insurance, which offers a very broad indemnity guarantee designed for business needs and interests. In Law No. 2 of 1992 on insurance companies there is an explanation of the agreement between two or more parties, in which the person in charge of the insured, by receiving insurance premiums, to provide reimbursement to the insured for loss, damage or loss of expected loss or legal responsibility of the third party that may be suffered by the insured, arising from an uncertain event, or give a payment based on the death or life of a person insured. Insurance policies are used to protect the value of the risk of financial loss. Whether the loss is large or small, which may be caused by damage to the insured or his property, or from liability for damage or injury caused by the third party.

2. History of Insurance

Insurance that was first known in Indonesia is a general insurance product. Initially brought by the Dutch who came to Indonesia during colonial times. Here are the insurance company's trips in Indonesia. Insurance travel in Indonesia is divided into three, namely the Dutch colonial period, the Japanese colonial period and the post-independence period. These three periods also have some important events that need to be understood for those who want to get to know the insurance business more.

1. Insurance During the Dutch Occupation

Initially, insurance did grow rapidly in European countries. Therefore, insurance in Indonesia is also innate by the Dutch around the 1800s. Unlike the case with European countries, insurance companies established by the

Netherlands in Indonesia are preferred for certain people, especially the elite and the Dutch themselves. Because the insurance is only intended to support the interests of their trade and business. In 1845, the Dutch established an insurance company in Indonesia named *Nederlandsh Indisch Leven Verzekering En Liefrente Maatschappij* (NILMIY). This company when viewed administratively using its existing parent system in the Netherlands, namely *De Nederlanden Van*. At that time, the products of this insurance company were also still very limited, among others, there was only protection against fire and transportation risks. In addition, insurance can not be applied to the natives because there are still monopolies run by interested countries such as England and France. After the events of World War II which is famous for its devastating impact it also had an impact on Dutch-owned insurance companies in Indonesia. Not a few insurance companies are losing and bankrupt. Finally, after the second world war was over, which at that time in Indonesia was also preparing for independence, this is the beginning of a new chapter in insurance history in Indonesia.

2. Insurance during the Japanese Occupation

Furthermore, the Dutch colonial government established a loss insurance company in the trade and plantation sector named *Bataviasche Zee End Brand Asrantie Maatschappij* in 1843. This insurance only provides protection against all risks caused by fire and commodity transport risks. Then in 1853 followed by the establishment of a loss insurance company called *N.V. Assurantie Mij Nederlandsche Lloyd* and loss insurance *Assurantie Mij Langeveld Schroeder* and *Assurantie Mij Blom van der Aa*. Not until there, *N.V. Assurantie Mij Nederlandsche Lloyd* also opened a branch that focused on risking fire in 1916 precisely on September 1. This insurance subsidiary is named *Indische Lloyd* which until now the name can still be heard that is *PT. Lloyd Indonesia*. This was the beginning of the first fire insurance in Indonesia. Then, after the Japanese colonial period, the economy in Indonesia was so chaotic that many companies went bankrupt. It cannot be denied, many insurance companies are

also out of business. However, the only insurance company that survived the bad economic conditions was O.L Mij Boemi Poetera. Because the name still smells dutch, and the Japanese do not like it, the company during the Japanese colonial period was changed to Tanggoeng Djiwa Boemi Poetera Company (PTD Boemi Poetera). PTD Boemi Poetera, who we currently know him better as an insurance company Bumi Putera, has a good enough reputation that many people who until now still choose him as the insurance company of choice. During the colonial period insurance and economy in Indonesia is still run based on the principle of monopoly, therefore only Europeans can enjoy insurance protection. While the locals of Indonesia can not get the benefits.

3. Insurance in the Post-Independence Period of Indonesia After Indonesia's independence, insurance began to grow rapidly and can already be felt by indigenous peoples. Until finally, a Dutch-owned insurance named *Nederlandsh Indisch Leven Verzekering En Liefrente Maatschappij (NILMIY)* was taken over by the Indonesian government and replaced with PT. Life Insurance. After that it was followed by Boemi Poetra Life Insurance in 1912. With the important event that is the nationalization of Dutch companies into companies owned by the Indonesian government, it turns out that after independence there are also insurance mergers in the territory of Indonesia. An example is the merger of PT Asuransi Bendasraya and PT. General International Underwriters became PT Asuransi Jasa Indonesia or who is now more familiar with Jasindo Insurance. Not only that, for the welfare of the Indonesian government, new companies engaged in insurance such as Rahardja Service Insurance (which focuses more on risk), Perum Taspen (insurance and savings of civil servants), Perum Asabri (insurance for AKABRI), and Jamsostek (private company workforce insurance). Finally in the 80s, there have been many insurance companies that stand in Indonesia such as Allianz, CIGNA, AIA Financial, and so on. The rise of the Wright Brothers, the inventor of the world's first airplane, pioneered the breakthrough of new products. This product is the

world's first travel insurance. This idea started with James Batterson who stated that risk can occur anytime and anywhere. However, this travel insurance is only for class I and II only. In a sense, there is a special boundary between people who are able to board a plane and are considered special or exclusive. Then in the 20th century, the history of insurance is growing and much needed by the people in the world, especially after World Wars I and II. In the aftermath of World War II, the world is entering a phase of baby boom or also called population explosion. Please note, in the United States, all married couples get insurance coverage with a percentage reaching 90 percent. Although the economy at that time experienced a fairly drastic decline, but there are some insurance companies that bounce back and develop their insurance products, such as:

- Alliance
- Manulife
- Cigna

These companies continue to make developments in their respective countries for a long time and they also dare to expand first internationally. The first countries to be targeted were China and Hong Kong as the first expansion centers. This international insurance company has many product breakthroughs that are quite unique and needed by the community. For example, personal vehicle insurance (two- and four wheels), dental health insurance, and orphan insurance. Then, PT AXA Indonesia from France first made a breakthrough insurance package specifically for the corporate group. They cooperate with local and multinational companies through the protection of the life and health of the company's employees. Until now, many insurance companies have made acquisitions or joint ventures (share purchases) with local companies in various countries. This method turns out to be enough to make it easier for international companies to widen the requirements in the insurance industry of each country. The history of insurance in Indonesia is also almost similar to other countries. It's just that, it does not mean that in Indonesia there are no original Indonesian insurance companies. Precisely some names such as PT Asuransi Sinar Mas in Indonesia prove that local insurance can

also develop and not be less competitive with international insurance. For information, the development of insurance itself consists of three main pillars, namely currency, urbanization and development of actuarial theory. Insurance also began to develop in the following years in the United Kingdom. Precisely in London, the first insurance company in the world stands. The company was founded in 1688. Initially this insurance company emerged from a small coffee shop called Edward Lloyd's whose name was used as the name of the first insurance company in the world. The insurance company offers a trade insurance product that provides protection against the movement of exports and imports of cargo ships by sea. For this insurance guarantee system is relatively simple because as long as the ship carrying the trade goods does not happen anything, the ship still gets their premium money. Meanwhile on other continents, for example the United States, the first insurance company built at the time was named Philadelphia Contributionship for the Insurance of Houses from Loss by Fire. The company was founded by then-President Benjamin Franklin and several associates in 1752. The jam, this insurance system is the contributors will refuse to give insurance claims submitted by customers if the house built does not comply with very strict building standards. Until now, this fire management insurance company is still active.

3. Insurance Law

In its application, of course, there is an insurance law. Insurance law is a written rule that binds participants and insurance companies to comply with agreed agreements. The agreement usually consists of the participant's right to get protection and in return the participant pays a premium to the insurance company. In short, insurance law regulates what are the rights and obligations of insurance participants and insurance companies, be it life insurance or general insurance. Participants can get their rights if they meet all obligations that have been set by the insurance company. One of the conanyway is the payment of premiums. Similarly, insurance companies, they have the right and obligation to provide protection or protection to insurance

participants who become customers. The Company is obliged to provide reimbursement if the participant has met the specified conditions and obligations. It is usually clearly stated in the insurance policy. Conversely, the insurance company also reserves the right to refuse participation or claims if the conditions and obligations set by the insurance company are not met by participants. This insurance law will provide a legal umbrella for both parties if at any time there is a dispute. So that all the problems caused can be resolved legally based on the available evidence. Insurance activities are related to agreements, profit gains, and providing returns in accordance with those listed in the insurance policy. So, in the process of organizing this activity there must be legal force. This serves to regulate the process of running in insurance efforts. Of course, the insurance party follows the rules that apply in a country and can be accounted for by the company. Here are 5 basic insurance laws in Indonesia:

1. Law No. 2 of 1992 on InsuranceBusiness.

If you look at its position, this law is often used as the basis of several regulations regarding insurance that applies in Indonesia. It can be said that Law No. 2 of 1992 is the main legal basis that regulates and determines all insurance activities. Looking at the contents of Law No.2 of 1992, it contains regulations on insurance business. The basics of the establishment of this applicable law are to realize a just and prosperous society in accordance with the mandate of Pancasila and the 1945 Constitution, reviewing that insurance is one of the efforts in overcoming certain risks faced by the community while playing a role in raising funds from the community.

2. Criminal Code (Civil Code) Article 1320 and Article 1774. Article 1320 of the Civil Code and Article 1774 states that insurance contains elements of agreement between the two parties therein. Because it contains elements of the agreement it will be included in the scope of criminal law, as in criminal code part two describes the chapter on the terms of the

occurrence of a valid agreement. Where it is detailed and explained in one of the articles, namely Article 1320 which states that "For the validity of the agreement, four conditions are required, namely their binding agreement, the ability to make an engagement, a certain subject matter, and a cause that is not prohibited."

3. KUHD (Code of Trade Law) Chapter 9 Article 246. The general explanation in article 246 will be very visible similar to Law No.2 of 1992. Mentioned in Chapter 9 of kuhd thoroughly explain about the provisions about the type of coverage from insurance, the maximum limit of coverage provided by insurance, procedural coverage process that applies, the cause of the cancellation of the coverage process, and coverage is prepared in writing in a deed or insurance policy.
4. Government Regulation No. 73 of 1992. Government Regulation No. 73 of 1992 discusses the provisions governing the implementation of insurance business. Government regulations are formed on the basis of insurance objectives that are in principle able to encourage the growth of Indonesia's national development. Insurance business activities run in accordance with the applicable law and regulate insurance companies in Indonesia to develop properly. In addition, in accordance with the foundation and principles of healthy and responsible business.
5. Government Regulation No. 63 of 1999. This government regulation is the first change from Government Regulation No. 73 of 1992. The objectives contained in Government Regulation No. 63 of 1999 basically have similarities with the previous regulations, namely on the implementation of insurance business. The establishment of this government regulation is based on the development of insurance business activities that continue to change, as well as changes in the national economic situation. This leads to the need for adjustments to the regulations for the implementation of insurance businesses that have been in force.

METHOD

Arikunto (2010, hm. 203) explains that the study method is "the method used by researchers in collecting data on his research," while alchemist (2009, him. 149) revealed that "research methods are either tools or ways to answer research questions." Research methods thus are methods or tools used by researchers to answer a set of questions that are set out in problem formulations.

In this study article, using descriptive methods and collecting data that deal with life's insurance benefits and advantages. The article is categorized as descriptive research, since the approach taken is qualitative. Arikunto (2010, p. 151). Explains the descriptive study "'accumulating as much data as possible about the factors that support research.'" Then sukardi (2004, p. 14) adding, in the arikel researchers explore, illustrate, with a view to being able to explain and predict a symptom that applies on the basis of data obtained in the field. Further research techniques used in writing this article are the study of literature, which is the study of and understanding relevant and supported books, documents or other written sources. research methods are "the way researchers collect research data", while Alwasilah (2009, him. 149) reveals that, "research methods are tools or ways to answer research questions". Thus the research method is a way or tool used by researchers to answer a series of questions formulated in the formulation of problems.

In this research article use descriptive methods and collect data related to the benefits and benefits of insurance in life. This article is categorized as descriptive research, because the approach taken is through qualitative approaches. Arikunto (2010, P. 151). Explaining, descriptive studies are "'collecting as much data as possible about the factors that are supporting the research'". Then Sukardi (2004, p. 14) added, in this arikel researchers explore, describe, with the aim to be able to explain and predict against a symptom that occurs on the basis of data obtained in the field. Furthermore, the research technique used in the writing of this article is the study of literature, namely by researching and understanding books.

RESULTS AND DISCUSSIONS

Insurance itself is known in various types or types and is grouped according to focus and risk. This focus and risk determines the measure of uniformity in the risks borne according to the type of policy. This will be used by insurance companies to anticipate potential losses as well as set the premium rate offered according to their respective types of insurance. The benefits of insurance can be felt when a person experiences the risks insured according to the insurance policy. If it happens, the person can file a claim to receive insurance benefits. However, it is not impossible that the claims submitted are rejected. This can happen when the risks that occur are included in the exclusion clause in the insurance policy. Here are some types of insurance in Indonesia:

- General Loss Insurance
- Life insurance
- Health Insurance
- Social Insurance (Compulsory Insurance)
- Fire Insurance and Natural Disaster Insurance
- Construction Insurance
- Marine Cargo Insurance and Marine Hull Insurance

Here are the benefits and benefits of having insurance in general:

1. Risk diversion tool

Insurance can divert the financial risk we have documents or other written sources that are relevant and supportive. Arikunto (2010, p. 201) describes documentation derived from the word document which means written items. Then Sukardi (2004, p. 34) explained about the various documents or sources of literature including, journals, research reports, scientific magazines, newspapers, relevant books, seminar results, unpublished scientific articles, sources, decrees and so on.

With insurance, we can shift the burden of existing financial risks. For example, with health insurance or education, we do not need to pay the entire or partial cost of hospital bills if we fall ill. The risk is transferred or borne by

the insurance company. Or when someone is in an accident and has life insurance. Then the victim will get money in accordance with the insurance he took, and that will be given to the family.

2. As Savings and Investments

If someone registers as an insurance customer, then at the end of the contract will get a guaranteed return on investment. In addition, it also offers flexibility or leeway in choosing a coverage term. In general, the choice is about 5, 7, to 10 years. The premium also includes a single premium. Where the nominal is relatively affordable and has the opportunity to get free administrative fees.

3. Provide Peace and security for the future

Insurance offers protection against risks that occur later in life. This can bring a sense of calm, because there is no need to worry anymore if something unexpected happens. Although handling losses based on the type of insurance you choose. However, it can at least bear some of the deferred cost burden. With insurance, at least a person's finances will be more stable. In addition, if a person already knows that the risks that exist in life can be diverted, then he will feel more confident financially.

4. Help Manage Finances Better

By having automatic insurance will make premium payments regularly which indirectly has taught how to manage finances well. There is a way that can be done by setting aside some of the existing income. People who can't afford to save will feel this way. Because, spending money is not just for something temporary. However, it is also a support for future life.

5. Minimize Losses

By having insurance, it can minimize the cost of losses if experiencing unexpected events or those that can be unexpected. So, the need will remain stable. Because, some or all of the risk has been transferred to insurance companies, people who have insurance can minimize existing losses. So you need to go into debt to cover financial risk, or reach for savings that have been saved for other purposes, or even take from an emergency fund that you already

have. The money you can use for other things such as saved or invested. Those are the 3 benefits of insurance in general and personally for someone who has insurance. However, there are also some benefits of other insurance functions that are viewed based on their type:

Here are the 6 most common types of insurance along with an explanation of the benefits:

1. Life Insurance

As one of the most basic insurance, life insurance has the benefit of protecting a person's life from the risk of death. Many people also use this type of insurance as an inheritance to children or wives when they later died. The benefits and benefits of life insurance itself is to provide protection against the onset of financial losses or loss of income due to the death of the insured family member who is generally a source of livelihood for the family. With the payment from the insurance, the family can still live after the death of a family member. Life insurance can be purchased for self-interest on behalf of the insured or purchased for the benefit of a third person. For example, this insurance can be purchased by a husband who will benefit him after his wife dies. It can also be purchased by parents who insure themselves against the death of a child.

2. Health Insurance

This insurance is specifically for someone who is sick, then if someone is sick and has insurance will feel great benefits of this type of insurance. The cost of health bills that continue to soar can be covered if a person has health insurance. The main benefits of health insurance in the form of hospital health cost coverage. Depending on the insurance product chosen, the costs covered can vary. There are those who endure outpatient, hospitalization, or ICU care. The nominal is also different, depending on the policy chosen. Some conditions and diseases that are generally covered and reimbursed through insurance claims include disability, illness, injury, permanent disability, to death by accident. Even though you already have BPJS

Kesehatan, health insurance is still needed to cover risks and provide other benefits. Types of health insurance include inpatient insurance, outpatient insurance, personal insurance, group insurance, private insurance, and government insurance. Each has different benefits and goals, you can choose one of these types of health insurance. Under health insurance, there is also tropical disease insurance whose coverage focus includes dengue hemorrhagic fever (DBD), malaria, and so on. There is also critical illness insurance that protects the risk of severe or chronic diseases, such as cancer, heart, stroke, and so on.

3. Personal Accident Insurance

Personal accident insurance protects against the risk of accidents that befall. Usually the benefits of accident insurance can be medical costs for an accident (such as a fracture or surgery), and sum insured in the event of a risk of death or Total disability and Remain caused by the accident. Personal Accident Insurance is also a type of loss insurance that guarantees the risk of permanent disability total or death due to an accident. Personal Accident Insurance guarantees the insured as a result of an accident (external result) that befell him for 24 hours in a certain coverage period, for example for one year or during one trip. This coverage provides a guarantee of the risk of Death, Permanent Disability, Cost of Care and/or Treatment directly caused by an accident, including the transmission of viruses or germs of disease into injuries suffered as a result of a policy-guaranteed accident

4. Vehicle Insurance

Vehicle insurance can compensate damage to the vehicle that a person has if there is a risk (whether an accident, break-in, or other). This product can be purchased separately or together with the vehicle you have. Vehicle insurance benefits focus on privately owned vehicles. Insurance will provide protection for vehicle owners for losses suffered, from losses in the form of damage due to accidents or theft crimes. Therefore, to make sure your vehicle remains safe. A number of existing types of vehicle insurance such as the following:

- All-Risk Insurance.
 - Asuransi Total Loss Only (TLO).
 - Collision Coverage.
 - Liability Insurance.
 - Personal Injury Protection.
 - Vehicle insurance claim procedure.
5. Travel insurance Travel insurance can provide various types of compensation that occur while you are traveling. Depending on the type of product, here are some benefits of travel insurance:
- Delays in travel (delay);
 - Loss or damage to baggage;
 - Medical expenses; or
 - Risk of accident.

Usually travel insurance can be purchased along with the purchase of tickets (either planes, ships, or trains). Unlike accident insurance during the holidays, travel insurance only works during travel. While accident insurance during the holidays, such as Super Holiday, can protect you while still in the holiday period (5 days before and after the national holiday). This insurance provides protection to customers when traveling. Customers will get coverage of accident costs, medical expenses, and loss of luggage that is at risk of loss or damage. In addition, by protecting yourself with travel insurance products, you do not need to worry if something unpleasant happens during the trip such as late or late baggage, copying on the road, until when sick and need to be treated on the trip. The insurance company will cover any financial losses incurred due to things beyond these predictions. You can buy travel insurance through insurance company sites, air or train ticket sales sites, hotel booking sales sites, and airports. Insurance premiums paid are usually only once when the customer wants to travel. This type of insurance is perfect for those of you who often travel by using public transportation. Some of the benefits obtained from travel insurance products include medical protection benefits, emergency assistance, accident benefits, visiting and care benefits, and

travel inconvenience.

6. Education Insurance

The last type of insurance, education insurance can be useful for those who have children who will go to school. Education insurance can provide insurance benefits in the form of guaranteed tuition costs up to the college level. However, of course all this depends again based on the chosen educational insurance product. In addition, education insurance also helps parents prepare for the inflation of education costs per year. Usually education insurance has taken into account the factor of increasing the cost of education. Atuition insurance is also the best alternative as well as a solution in ensuring a better life in terms of children's educational assets. Given the current high cost of education, many parents are burdened with the numbers. Coupled with an increase of 10-15% per year, making parents prefer to buy educational insurance products in order to prepare for the future of children. The cost of premiums that must be paid per month varies, depending on the level of education you want to get. But it should be underlined that education insurance and education savings are two different things. Education insurance is an insurance product that comes with investment. While educational savings are savings with a certain period of time and interest, and can be disbursed in several products according to the agreement. Education insurance has a greater risk than educational savings, because there is an investment value in it.

Well from these benefits it can be seen that if someone has an insurance policy with the type they need, of course, it can provide tremendous benefits a lot. The advantage is obtained if a person experiences unexpected or unexpected risks. It can also be seen, that another advantage that is obtained when a person has an insurance policy is when a person experiences an event then he is ready with the insurance he has, so that the losses experienced are not so great.

CONCLUSION

From the above discussion about the benefits and benefits of insurance in life, it can be concluded that this insurance clearly provides extraordinary benefits in a person's life. Especially in everyday life, of course, there are risks that will arise both unexpected and unexpected risks. Then in this insurance there is also an insurance policy that is used to protect the value against the risk of financial loss. Both large and minor losses, which may be caused by damage to the insured or his or her property, or from liability for damages or injuries caused by third parties. From this it is seen that this insurance is present to reduce the risks that exist, this insurance provides various benefits that are divided into general benefits and also special benefits where this particular benefit is adjusted to the types of insurance in Indonesia.

Thus, insurance as an agreement has the substance of transferring risks for losses suffered by the insured both loss of life and loss of property. Therefore, there are various types of insurance that can generally be grouped into life insurance and property and property loss insurance. Special about property loss insurance can consist of various types of insurance including commercial property insurance, which offers a very broad indemnity guarantee designed for business needs and interests.

In Law No. 2 of 1992 on insurance business there is an explanation of the agreement between two or more parties, in which the person in charge binds himself to the insured, by receiving insurance premiums, to provide reimbursement to the insured for loss, damage or loss of expected profits or legal liability of the third party that may be suffered by the insured, arising from an uncertain event, or give a payment based on the death or life of a person insured.

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