



International Information Exchange Indonesia

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INDONESIA FACT SHEET: Country Overview

Criteria	Data/Stats				Source/Year	
National Land	Land : 1,811,569 km ² (15 th largest)		Water : 93,000 km ²		CIA Fact Book	
Climate/Weather	Jakarta	Climate:	Tropical, hot, humid			Wikipedia about Indonesia
		Average Temp:	24-31 °C (Annually)			
		Annual Rainfall:	1,780–3,175 mm (lowland) >5,000 mm (highland)			
Population	253,609,643 (July 2014 est.)				CIA Fact Book	
Young Population (0-14)	M = 33,854,520	F = 32,648,568	Pop = 66,503,088	26% of total		
Productive Population (15-64)	M = 85,826,003	F = 84,795,631	Pop = 170,621,634	67% of total		
Elderly Population (Over 65)	M = 7,176,865	F = 9,308,056	Pop = 16,484,921	7% of total		
# of Households & Ave.ppl/hh	63,510 (000's) & 3.97 ppl/hh				UNHABITAT	
Average Life Expectancy	Male: 68.3 years / Female: 72.8 years				UNHABITAT	
Total Fertility Rate	2.4				Worldbank	
GDP (Nominal GDP)	868.3 (USD Billion / 2013)				Worldbank	
GDP per Capita	3,450 (USD)				Worldbank	
Social Security Program	Badan Penyelenggara Jaminan Sosial BPJS <ul style="list-style-type: none"> • Health : replaces ASKES as national health insurance • Workforce : replaces JAMSOSTEK as worker's insurance 					
	KPS Kartu Perlindungan Sosial – social assistance for poor families					
Remarks	<ul style="list-style-type: none"> • Newly elected government : President Joko Widodo • Slowing down economy, depreciating IDR vs USD, catching up with infrastructure • Political stability 					

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2013 LIFE INSURANCE INDUSTRY FAST FACTS

(Thousand Policies, US\$ Million)

(Policies, US\$)

Type	New Business		Policy In-Force		Average Policy per Person	
	# of Policies	S	# of Policies	S	# of Policies	S
Individual	2,087,012	21,595.0	10,799,102	100,058.3	0.04	35.5
Indiv. Annuity	NA	NA	NA	NA	NA	NA
Group	NA	59,617.9	39,013,558	129,760.3	NA	NA

Criteria	FY2011	FY2012	FY2013
# of Life Insurers	45	47	49
Net Premium Income	7,362.4	8,181.7	8,475.2
Payment of Insurance Claim	4,856.0	5,864.3	6,169.4
Total Assets	18,771.0	22,174.9	24,098.8
Main Products	Unit Link***		

Distribution Channel	Scale	Participation rate (Source: JILI)
Tied-Agents	N/A	N/A
Life Office Counter	N/A	N/A
Agencies	N/A	N/A
	N/A	N/A
Mail Order, Internet	N/A	N/A
Working Office, Others	N/A	N/A

Exchange Rate : IDR 12,189 (BI Middle rate end of 2013)

Source: OJK (Financial Services Authority)

*exclude data of Personal Accident & Health policies

**using Policy In-Force as nominator and Indonesia population in 2013 as denominator

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Challenges of Indonesia's Life Insurance Industry

▶ Human resources

- ✓ It is still difficult to build highly capable team in insurance industry .
 - Indonesia is still lacking native actuaries compared to the demand for it
 - 200 qualified fellows
 - 300 qualified associates
 - OJK targets 1000 actuaries within the next 5 years

▶ BJPS

- ✓ For companies which is strong on employee benefits, mandatory BJPS enrollment for every employee will decrease premium income and reduce profits.

▶ Regulation by OJK

✓ Customer Protection

- Insurance industry must be very careful in sales activities because of the strict regulations by the Financial Service Authority to protect the insurance consumers

✓ Expanding domestic capacities

- To minimize the deficit in the insurance industry, including life insurance, the government is asking insurance companies to increase the self-retention by implementing minimum retention figure
- Local re-insurance companies is being asked to maximize their capacities by increasing the capital or by merging

✓ Micro insurance

- Life insurance companies must sell micro-insurance product “Si Peci” that is targeted toward social insurance

▶ Digital Insurance - Life insurance products sold through websites or application

- ✓ Must also have good underwriting system
- ✓ Majority of Indonesians are not insurance-minded yet
- ✓ Sales through this type of distribution channel is slow even though the corresponding technologies continue to advance