



# Challenges and Opportunities in the Development of the Insurance Industry in Indonesia: A Comprehensive Analysis

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**Abstract.** The insurance industry plays an essential role in mitigating risks associated with unforeseen events, ensuring economic stability and security. Despite its critical importance, the sector encounters significant challenges, including failures in claim payments, prevalent fraud, and fierce competition. This research aims to comprehensively examine these multifaceted issues confronting the insurance sector and propose viable solutions to address them. Employing a descriptive qualitative methodology, the study synthesizes a wide range of relevant literature to identify the prevailing problems and explore strategic measures that can be effectively implemented within the industry. Key findings highlight the urgent need to restore public trust and confidence in the insurance processes through improved ex-gratia claim handling. Additionally, the establishment of robust regulatory institutions is advocated to ensure the industry remains reliable, trustworthy, and competitively healthy. These institutions should foster transparency and accountability, further enhancing consumer protection and industry integrity. The insights gained from this research provide valuable guidance for the insurance sector in fortifying its position and improving overall performance, thus better serving its stakeholders and contributing to broader economic resilience.

**Keywords:** Insurance Industry, Risk Mitigation, Public Trust, Claims Handling

## 1 Introduction

The insurance industry plays a crucial role in supporting economic stability by mitigating financial risks, which aids in the sustainability of employment and provides support for small businesses. In a country like Indonesia, which frequently faces natural disasters, insurance becomes vitally important as it offers financial protection that can help facilitate a

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quicker and more effective recovery. According to the World Economic Forum (2020), insurance plays a vital role in managing risks commonly present in regions with high seismic activity or extreme climates. Within the framework of Sustainable Development Goals (SDGs), the insurance sector is deemed essential for achieving Goal 8 (Decent Work and Economic Growth) and Goal 13 (Climate Action). Insurance helps reduce the economic uncertainty caused by natural disasters and supports small businesses in managing financial risks that could hinder their economic growth.

An inclusive and sustainable policy approach can strengthen the insurance industry and support Indonesia's efforts in achieving the SDGs more broadly (Nugroho, 2023). Awareness of the role and potential of insurance within the SDGs context triggers the need for the implementation of effective and inclusive solutions, which in turn paves the way for more equitable and sustainable economic growth. The insurance industry, with appropriate policy support, can serve as a catalyst in achieving sustainable development goals in Indonesia, emphasizing the importance of adaptation and innovation in facing global and local challenges. To address these challenges, several strategic measures have been proposed, including the strengthening of regulations, enhancement of transparency, and promotion of innovation in insurance products to make them more accessible to all layers of society.

These measures aim to increase public trust and ensure that the insurance industry can contribute more effectively to inclusive and sustainable economic development. The government and related institutions need to prioritize the development and strengthening of the insurance industry as part of a national strategy. Focusing on economic and social risks, as well as promoting financial stability, is key to ensuring greater sustainability in Indonesia's economic development. Policies involving greater transparency, accountability, and responsible innovation will support the trust and integrity of the insurance industry in Indonesia (Fachrudin, 2022).

The insurance sector in Indonesia has experienced significant growth, with the number of insurance companies increasing from 51 in 2017 to 138 in 2019, as reported by the Financial Services Authority (OJK, 2019). Nevertheless, the industry faces several serious challenges including inconsistent performance of life insurance companies, the prevalence of fraud, and difficulty competing with foreign insurers, all of which reduce public trust and demand comprehensive and sustainable solutions (Prayogo, 2021).

A thorough study of the challenges faced by the insurance industry in Indonesia and strategies to overcome them has been conducted. This analysis aims to support the sustainable growth of the insurance sector by evaluating industry developments, identifying key issues, and exploring potential solutions (Hariyadi and Susanto, 2022). The proposed strategic steps include strengthening regulations, enhancing transparency, and promoting innovation in insurance products to make them accessible to all segments of society.

## 2 Research Methodology

The research adopts a descriptive qualitative method, meticulously designed to delve deeply into the complexities and nuances of Indonesia's insurance sector. This method allows for a detailed examination of various dimensions, including business operations, regulatory impacts, and competitive dynamics within the industry.

### 2.1 Data Collection and Analytical Tools

Data gathering is primarily conducted through a thorough literature review complemented by extensive online research, targeting authoritative journals, sector reports, and relevant digital content. This approach is iterative, continually refining the search parameters to capture both established and emerging themes pertinent to the insurance industry. Each source is meticulously chosen based on its reliability and relevance to ensure a well-rounded data collection. A variety of analytical methods are utilized to interpret the data collected:

- a) **Descriptive Analysis:** Focuses on quantifying the evolution and challenges of the insurance sector, examining metrics such as the growth in companies, assets, and investments.
- b) **SWOT Analysis:** Evaluates the strategic position of the insurance industry by identifying strengths, weaknesses, opportunities, and threats, revealing factors that influence operational and strategic outcomes.
- c) **Comparative and Trend Analysis:** These methods provide contextual comparisons with global standards and identify long-term trends that affect the industry, influenced by external economic and technological changes.

### 2.2 Synthesis and Interpretation of Data

The integration of quantitative and qualitative data offers a comprehensive overview of the insurance industry's current state and trends. This synthesis combines statistical data with insights into market perceptions and regulatory effectiveness, creating a narrative that explains both what is observed and why these conditions exist. Expert opinions and real-world examples are woven into the analysis to provide grounded and practical perspectives on the data.

## 3 Result and Discussion

### 3.1 Descriptive Analysis

#### A. Number of Insurance Companies

The development of insurance companies is always increasing every year, this is also in line with the increasing awareness of insurance among the Indonesian people who are beginning to understand that insurance is one of the parts of risk management that can provide guarantees and protection for the property and life of a person or insurance user.

Based on OJK records as of December 31, 2021, there are 149 insurance companies that can be listed in the table below.

**Table 1 Growth in the Number of Insurance Companies 2017-2021**

Industry Type	2017	2018	2019	2020	2021
Life insurance	61	60	60	59	60
General Insurance	79	79	79	77	77
Reinsurance	7	7	7	7	7
Social Insurance	2	2	2	2	2
Compulsory Insurance	3	3	3	3	3
<b>Total</b>	<b>152</b>	<b>151</b>	<b>151</b>	<b>148</b>	<b>149</b>

It can be seen that there is an increase in the number of insurance companies which is indeed not too large from year to year. And there are also some insurance companies that close their companies. Based on the table, there was a 1-digit increase in life insurance to 60 companies. The number of general insurance, reinsurance, social insurance, and compulsory insurance companies has been static from last year.

## B. Asset Growth

It is calculated that the assets owned by the insurance industry every year have experienced a significant increase. Based on OJK records, the total assets of the insurance industry as of December 2021 reached IDR 1,643.90 trillion as can be seen in the table below.

**Table 2 Total Insurance Industry Assets 2017-2021 (Data in Trillions of Rupiah)**

Industry Type	2017	2018	2019	2020	2021	
<b>Life insurance</b>	546,64	555,38	574,59	575,09	631,69	
<i>Growth</i>	21,20%	1,60%	3,46%	0,09%	9,84%	
<b>General Insurance</b>	134,33	149,89	164,64	173,65	190,92	
<i>Growth</i>	5,61%	11,58%	9,84%	5,47%	9,95%	
<b>Reinsurance</b>	20,13	23,47	27,26	29,55	31,90	
<i>Growth</i>	21,12%	16,59%	16,15%	8,40%	7,95%	
<b>Social Insurance</b>	340,57	388,14	459,08	536,1	650,63	
<i>Growth</i>	19,36%	13,97%	18,28%	16,78%	21,36%	
<b>Compulsory Insurance</b>	135,30	132,18	131,56	135,93	138,75	
<i>Growth</i>	10,31%	-2,31%	-0,47%	3,32%	2,07%	
<b>Total</b>	<b>1.176,9</b>	<b>1.249,05</b>	<b>1.357,14</b>	<b>1.450,32</b>	<b>1.643,90</b>	
<i>Growth</i>	7	17,36%	6,12%	8,65%	6,87%	13,35%

Based on this data, it can be seen that the average insurance industry assets increased by 6.91% per year (using the *Compounded Annual Growth Rate (CAGR)* method).

### C. Investment Growth

It can be seen that the investment fund of the insurance industry in Indonesia in 2021 is IDR 1,360.86 trillion. This amount continues to increase from the previous year which amounted to IDR 1,224.64 trillion. It can be seen that the largest investment fund is owned by social insurance with a percentage of 41.3%, followed by life insurance companies at 40.8%, followed by compulsory insurance companies at 9.8%, then there are general insurance companies at 6.8%, and finally reinsurance companies at 1.4%. Table 3 shows the amount of investment from each insurance business sector from 2017 to 2021.

**Table 3 Insurance Industry Investment Amount 2017-2021 (in trillions of rupiah)**

Industry Type	2017	2018	2019	2020	2021
Life insurance	489,27	495,14	518,5	501,39	555,29
<i>Growth</i>	23,43%	1,20%	4,72%	-3,30%	10,75%
General Insurance	68,44	74,78	81,83	83,6	91,89
<i>Growth</i>	8,98%	9,26%	9,43%	2,16%	9,92%
Reinsurance	12,17	12,69	15,19	16,83	18,88
<i>Growth</i>	18,73%	4,27%	19,70%	10,80%	12,18%
Social Insurance	322,58	370,11	438,96	493,88	561,98
<i>Growth</i>	18,75%	14,73%	18,60%	12,51%	13,79%
Compulsory Insurance	113,65	114,72	119,77	128,95	132,82
<i>Growth</i>	17,49%	0,94%	4,40%	7,66%	3,00%
Total	1.006,1	1.067,44	1.174,25	1.224,65	1.360,86
<i>Growth</i>	20,09%	6,10%	10,01%	4,29%	11,12%

### 3.2 Analysis of Factors Affecting Development

In this day and age, insurance has become a common thing that can have a positive impact on the insured who have paid premiums. However, in the developments that have occurred, there are various problems that have arisen and become obstacles to the growth of the insurance industry and reduce public trust in insurance in Indonesia or abroad. Therefore, it is important to conduct a root cause analysis of insurance companies so that the right solution can be sought. We have analyzed and found several root problems in insurance companies, including:

1. **Claim Payment Failure:** Failure to pay claims by several insurance companies to customers is a serious concern. This is not only a financial problem for the company, but it also threatens public trust in the insurance industry as a whole (Majid & Sumriyah, 2023). The factors that lead to the failure to pay a claim can vary, ranging from insufficient funding issues to a lack of oversight and transparency in the claims process.

2. **Competitiveness in the Insurance Business:** In the midst of increasingly fierce competition, insurance companies in Indonesia must be able to compete globally. This includes improving service quality, customer trust, and oversight (Zanariyah, 2016). This challenge can be an obstacle for companies to maintain market share, especially when customers prefer insurance companies from abroad.
3. **Customer Claim Rejection:** Claims rejection by insurance companies can stem from incomplete documentation, inconsistencies with policy agreements, or violations of the law. Although this rejection can be caused by the customers themselves, the company is also affected because it lowers customer trust in them.
4. **Premium Effect:** High premiums can be a financial burden for customers and reduce their trust in insurance companies. This happens when the customer feels that the premium paid is not proportional to the benefits received (Siswanto, 2021).
5. **Fraud:** The digital age brings the risk of fraud in insurance claims. The inability of companies to detect and address these scams can lead to a decline in public trust in the insurance industry as a whole.
6. **Lack of Transparency:** Transparency in financial and operational reporting is key to maintaining customer trust. The lack of transparency can jeopardize the stability of the insurance industry as a whole and trigger a decline in public interest in insurance products.
7. **Financial Condition:** Poor financial condition can disrupt a company's operations and reduce investor and customer confidence. It could also affect a company's liquidity ratio, potentially leading to greater financial problems.
8. **Late Payment:** Late payment of insurance claims not only affects customer confidence, but can also threaten the company's continuity (Erlina et al., 2022). This is because customers and investors may interpret it as a sign that the company is experiencing financial difficulties.
9. **Company Continuity:** From the problems mentioned above, almost a 1 of them can affect the continuity of insurance companies in Indonesia. The problems faced by the insurance industry, if not addressed immediately, can lead to huge losses and even threaten the survival of the company.
10. **Legal Protection:** Ineffective legal protection can make customers feel unfair to the insurance industry, lowering their trust in the products and services offered. Not a few customers feel unfair to the law that is too protective of the insurance company than the customer itself.
11. **Use of ICT:** Insurance companies need to make better use of information and communication technology to improve efficiency and quality of service. However, there are still some companies that are lagging behind in this regard, which can affect customer perception of the quality of services offered. This is very unfortunate because information and communication technology (ICT) can play a big role in supporting the exchange of information between insurance companies and customers or institutions, information exchange can be done remotely using *e-mail* or chat media.

There are many factors that affect the development of the insurance industry in Indonesia. Here are some of the factors that have been studied:

1. **Economic growth of the community:** The economic growth of the community affects the demand of the insurance market, which promotes the development of insurance companies.
2. **Products sold:** The type of product sold and its quality affect the market demand and sales of the insurance company.
3. **Premiums:** Premiums have a positive and significant effect on insurance profitability in Indonesia. The more premiums received by insurance companies, the more profitability increases.
4. **Capital Growth:** Capital growth is a factor that affects the growth of an insurance company's assets.
5. **Role of Insurance Agents:** Insurance agents have an important role in assisting in the marketing and sales of insurance products. With good and attractive marketing techniques, sales will increase.
6. **Cooperation with local Government Agencies:** Cooperation can help streamline the insurance registration and management process.
7. **Strategic Location:** Strategic location helps to address the issue of public accessibility and marketability.
8. **Satisfactory Service:** Good service can build a good corporate image in the community and beautify people's ideas about insurance.
9. **Public trust in sharia insurance:** Public trust in sharia insurance affects the success of sharia insurance companies, which increases the demand and purchase of sharia insurance products.
10. **Ability to think in problem solving:** The ability to think in solving problems in insurance companies affects the success of insurance companies.
11. **Performance supervision and analysis:** Periodic supervision and analysis of performance on matters that affect asset growth need to be carried out by insurance companies, which maintain public trust in the potential of insurance companies.

### 3.3 SWOT Analysis

The SWOT analysis provides a structured framework to systematically identify various factors within a company, aiding in the formulation of appropriate strategies. By leveraging strengths and opportunities while mitigating weaknesses and threats, companies can better position themselves in the competitive landscape. Here is a detailed analysis based on the provided SWOT framework, followed by an analysis of the results:

#### **Strengths**

##### 1. Solid Financial Advantage:

Indonesian insurance companies generally possess strong financial foundations, providing them with the capital required to navigate various economic conditions. This financial solidity ensures that companies can sustain operations and invest in growth opportunities

even during economic downturns. The availability of capital also supports innovation and expansion, which are crucial for long-term success (Gilda, 2023).

#### 2. Breadth of Distribution Network:

A wide distribution network is a significant strength, enabling companies to reach a broader customer base. This extensive reach helps insurance firms penetrate different market segments, enhancing market share and revenue. The ability to connect with a diverse customer base is essential for growth and customer retention in the competitive insurance market (Puspitasari et al., 2016).

#### 3. Fast Claims Process:

Efficient claims processing is critical for customer satisfaction and trust. Insurance companies that can handle claims quickly and effectively tend to build stronger relationships with their clients. This strength not only enhances customer loyalty but also boosts the company's reputation, attracting new customers through positive word-of-mouth and testimonials (Gilda, 2023).

### **Weaknesses**

#### 1. Limited Direct Contact:

The reliance on intermediaries often limits direct interaction between insurance companies and their customers. This can lead to a gap in understanding customer needs and preferences, potentially resulting in sub-optimal service offerings. Direct contact is crucial for personalized service and building deeper customer relationships (Puspitasari et al., 2016).

#### 2. Strict Regulations and Complex Bureaucracy:

The regulatory environment in Indonesia is characterized by stringent rules and complex bureaucratic processes. These regulatory hurdles can slow down business operations and increase costs, making it difficult for companies to adapt quickly to market changes or innovate. Streamlining these processes could significantly enhance operational efficiency (Gilda, 2023).

#### 3. Risk Uncertainty:

The inherent uncertainty associated with risk can adversely affect the financial performance of insurance companies. Unexpected large-scale claims, economic downturns, or natural disasters can strain the financial resources of these firms, highlighting the need for robust risk management strategies (Puspitasari et al., 2016).

### **Opportunities**

#### 1. Increased Insurance Awareness:

As public awareness of the importance of insurance grows, there is a corresponding increase in demand for insurance products. This trend represents a significant opportunity for insurance companies to expand their customer base and introduce new products tailored to the evolving needs of the market (Gilda, 2023).

#### 2. Economic Growth:

Economic expansion leads to higher disposable incomes, which can boost the demand for insurance products. As people's financial situations improve, they are more likely to invest in insurance for financial protection and security, providing a favorable environment for business growth (Puspitasari et al., 2016).

#### 3. Technological Developments and Innovations:



Advances in technology offer numerous opportunities for insurance companies to improve operational efficiency and customer service. Implementing digital solutions such as mobile apps, AI-driven analytics, and online claim processing can enhance the customer experience and streamline internal processes (Gilda, 2023).

#### 4. Demographic Changes:

The increasing elderly population presents opportunities for health insurance and retirement products. As demographic trends shift, there is a growing need for products that cater specifically to the aging population, creating new market segments for insurance companies to target (Puspitasari et al., 2016).

### **Threats**

#### 1. Fierce Competition:

The insurance market is highly competitive, with companies constantly striving to offer better products at more competitive prices. This intense competition can lead to price wars and reduced profit margins, challenging companies to innovate and differentiate their offerings to maintain a competitive edge (Gilda, 2023).

#### 2. Government Policies:

Changes in government regulations and policies can significantly impact business operations. Regulatory changes can introduce new compliance requirements, increase operational costs, and affect the overall business strategy. Companies need to stay agile and adaptable to navigate these regulatory shifts (Puspitasari et al., 2016).

#### 3. Economic Crisis:

Economic downturns can reduce consumer purchasing power, leading to decreased demand for insurance products. During economic crises, individuals and businesses may prioritize essential expenditures over insurance, challenging companies to maintain their revenue streams and customer base (Gilda, 2023).

### **3.4 Results Analysis of SWOT**

#### **Analysis Maximizing Strengths and Opportunities:**

The strengths identified, such as solid financial foundations and a broad distribution network, provide a strong base for insurance companies to leverage the growing awareness and demand for insurance products. By capitalizing on technological advancements, companies can enhance their fast claims process, further building customer trust and satisfaction. The economic growth and demographic changes present additional opportunities to expand and diversify product offerings, particularly in health and retirement insurance.

#### **Addressing Weaknesses:**

To mitigate the weaknesses, insurance companies need to enhance direct customer interactions. Implementing digital tools that allow customers to engage directly with the company, such as through mobile apps or online portals, can help bridge the gap caused by reliance on intermediaries. Additionally, simplifying regulatory processes and adopting more agile business practices can help companies adapt more quickly to market changes.

#### **Mitigating Threats:**

The competitive nature of the market and potential economic crises highlight the need for continuous innovation and differentiation. Companies must invest in research and development to create unique and competitive products. Furthermore, staying updated with regulatory changes and preparing for economic downturns through robust financial planning and diversified investment strategies will be crucial. By systematically addressing these factors through strategic planning and implementation, Indonesian insurance companies can enhance their competitive position, build stronger customer relationships, and achieve sustainable growth in a dynamic market.

### 3.5 Comparative and Trend Analysis

To provide a comprehensive analysis of how comparative and trend analyses impact the Indonesian insurance industry, it is essential to incorporate relevant data and research findings. This deeper exploration will demonstrate how the industry can leverage global benchmarks and adapt to emerging trends within the context of Indonesia's unique market dynamics.

#### **Global Bench Marking**

Indonesian insurance companies face the challenge of keeping pace with global digital transformation trends in the insurance sector. According to a report by PwC (2022), over 60% of insurance transactions in developed markets are conducted online, whereas Indonesia is still progressing towards this level of digital penetration. Comparative analysis enables Indonesian firms to identify these gaps and strategy on accelerating digital integration, focusing on mobile platforms given Indonesia's high mobile usage rates (PwC, 2022).

#### **Adapting to Local Market Conditions**

While global trends lean heavily towards complete digital transformation, the Indonesian market requires a more nuanced approach due to its diverse demographic and economic landscape. Ernst & Young (2021) emphasize the effectiveness of hybrid models in Southeast Asia, where traditional agent-based approaches are blended with digital tools to increase reach and efficiency. This model suits Indonesia particularly well, addressing both urban populations familiar with digital solutions and rural areas where digital literacy is emerging (Ernst & Young, 2021).

#### **Embracing Personalization Trends**

Consumer demand for personalized insurance products is increasing, as evidenced by data analytic trends observed across Asia. The Asian Development Bank (2022) notes a shift towards personalized health and life insurance plans that consider individual lifestyle and health data. For Indonesian insurers, tapping into this trend involves investing in advanced data analytic capabilities to tailor products that meet the specific needs and expectations of different consumer segments (Asian Development Bank, 2022).

#### **Economic and Technological Dynamics**

The World Bank (2023) forecasts a steady economic recovery for Indonesia, suggesting increased consumer spending power in the coming years. For insurance companies, this is an opportune time to expand and diversify product offerings, particularly those that are digitally accessible. Trend analysis that tracks these economic and technological developments can guide insurers in timing their innovations to match peak consumer spending periods, optimizing market entry and penetration strategies (World Bank, 2023).

### **Regulatory and Competitive Environment**

Regulatory frameworks in Indonesia are also evolving, as noted by the Financial Services Authority of Indonesia (OJK, 2021). New regulations are increasingly favoring transparency and consumer protection, which aligns with global standards. Insurance companies in Indonesia must stay abreast of these changes to ensure compliance and to leverage regulatory support for innovation, such as sandbox environments that allow testing of new digital insurance models (OJK, 2021).

### **Strategic Implementation and Future Outlook**

For effective implementation, Indonesian insurance companies need to adopt a forward-looking approach that incorporates both global insights and local realities. By conducting ongoing comparative and trend analyses, these companies can continually adjust their strategies to stay competitive. This involves not only adopting technology and tailoring products but also engaging with stakeholders to foster an ecosystem that supports sustained innovation and growth within the industry. Through systematic application of these analyses, Indonesian insurance firms can enhance their strategic positioning, better serve their customers, and effectively contribute to the national economy's resilience.

## **3.6 Solutions to Problems in Insurance Companies**

After seeing the problems that exist in insurance companies in Indonesia. There are solutions that can be used by insurance companies in Indonesia in overcoming the problems experienced, this solution comes from the results of discussion and observation analysis in this study. Here are some of these solutions:

1. **Rebuilding Public Trust:** Insurance companies that are experiencing problems need to immediately restore public trust. They must guarantee that the customer's policy remains valid despite internal issues. Honest and transparent communication is essential to avoid the spread of false information or hoaxes that can further damage the company's reputation (Riwukore, 2022).
2. **Evaluating and Analyzing Strategies:** Evaluating and analyzing strategies is a key step in dealing with problems. Companies should regularly review their strategies, identify root causes, and develop appropriate solutions. A flexible and adaptive approach is needed to cope with changes in the business environment and regulations.
3. **Development of a Policy Guarantee Agency:** The existence of an institution that guarantees the sustainability of insurance policies for customers is an important step to ensure their protection. Companies need to collaborate with relevant institutions to develop effective and reliable policy guarantee programs, so that customers can feel safe and protected.
4. **Use of Ex-Gratia Insurance:** Ex-gratia insurance claim payment can be a solution in cases outside the scope of the insurance policy or when there is a claim rejection (Surahmad, 2023). The claim settlement process must be fast, accessible, and fair for customers. This will help improve the company's image and build customer trust.

5. Implementation of Good Corporate Governance (GCG): Good Corporate Governance is an important foundation for running a company professionally and transparently. Companies need to implement good GCG practices to ensure accountability, fairness, and sustainability of their operations. It will also help build customer trust and attract investor interest.
6. Police Guarantee Program: The policy guarantee program is a concrete step to protect customers in extreme situations such as the revocation of insurance company licenses. The company must cooperate with the authorized institution to develop this program and ensure its implementation is in accordance with the set standards (Suhayati, 2023).

By adopting these solutions comprehensively and integrated, insurers can improve their image, rebuild customer trust, and improve their operational performance. These measures will also support the long-term growth of the insurance industry in Indonesia.

## 4 Conclusion

The comprehensive analysis of the Indonesian insurance industry reveals both significant growth and substantial challenges. The SWOT analysis identified solid financial foundations, broad distribution networks, and fast claims processes as key strengths, while highlighting weaknesses such as limited direct customer contact, stringent regulations, and risk uncertainty. Opportunities lie in increasing public awareness, economic growth, technological advancements, and demographic shifts, while threats include fierce competition, regulatory changes, and economic crises.

To maximize strengths and opportunities, insurance companies should leverage their financial stability and extensive networks to capitalize on growing demand and technological advancements. Enhancing direct customer interactions and simplifying regulatory processes can mitigate identified weaknesses. Additionally, staying agile and prepared for regulatory changes and economic fluctuations will help mitigate threats. Comparative and trend analyses show that Indonesian insurance firms must accelerate digital integration and adopt hybrid models suited to their diverse market. Embracing personalisation trends and capitalizing on economic and technological developments will be crucial for future growth. The regulatory environment is also evolving, favoring transparency and consumer protection, which aligns with global standards and presents further opportunities for innovation.

The implementation of strategic measures, such as strengthening regulations, enhancing transparency, and promoting innovation, will be essential for sustainable growth. These efforts will build public trust, improve operational efficiency, and ensure the industry's resilience and competitiveness. By addressing the challenges and leveraging opportunities, the Indonesian insurance industry can significantly contribute to economic stability and growth.

In conclusion, the findings and strategic recommendations provide a road map for the insurance sector to enhance its competitive positioning, build stronger customer relation-

ships, and achieve sustainable development. The industry's alignment with global benchmarks and adaptation to local market conditions will be crucial in navigating the dynamic landscape and securing long-term success.

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