

## COVID-19 as Force Majeure in Insurance Agreement

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### ABSTRACT

Force majeure is an unexpected or unknown event which occur out of control that obstructs a party to fulfill the obligations in the agreement. This clause exempts the parties from the obligation to compensate either overall or partially for conducting default on contract. This research is normative legal research conducted by examining secondary, primary, and tertiary legal materials. As for research, conducted using conceptual approach and statute approach. The results show that COVID-19 is a relative force majeure. This condition affects the debtor's economic ability to pay premiums to insurance companies every month. But according to article 1244 ICC the debtor must prove that the condition cannot be blamed on them. After it is proven article 1245 ICC can be applied which exempts the debtor from the obligation of compensation. In the face of COVID-19 as a force majeure insurance companies can implement an agreement restructuring policy in accordance with Financial Services Authority Regulations Number 14 of 2020. By implementing this policy insurance company can avoid the cancellation of the agreement due to force majeure.

**Keywords:** Force Majeure; Insurance; COVID-19; Debtor.

### ABSTRAK

Force majeure adalah kejadian tidak terduga atau tidak diketahui yang terjadi di luar kendali serta dapat menghalangi suatu pihak untuk memenuhi kewajibannya yang terdapat dalam perjanjian. Klausula ini membebaskan para pihak dari kewajiban mengganti kerugian baik secara menyeluruh atau sebagian karena tidak melaksanakan perjanjian. Penelitian ini adalah penelitian hukum normatif yang dilakukan dengan mengkaji bahan hukum sekunder, primer, serta tersier. Adapun penelitian dilakukan menggunakan pendekatan konseptual dan pendekatan perundang-undangan. Hasil penelitian menunjukkan bahwa COVID-19 merupakan force majeure yang bersifat relatif. Keadaan tersebut mempengaruhi kemampuan ekonomi debitur dalam membayar premi kepada perusahaan asuransi setiap bulan. Namun sesuai pasal 1244 KUHper debitur harus membuktikan bahwa keadaan tersebut tidak bisa dipersalahkan kepadanya. Setelah dibuktikan maka pasal 1245 KUHPer dapat diterapkan yang membebaskan debitur dari kewajiban ganti rugi. Dalam menghadapi COVID-19 sebagai force majeure, perusahaan asuransi dapat menerapkan kebijakan restrukturisasi perjanjian sesuai dengan Peraturan Otoritas Jasa Keuangan Nomor 14 tahun 2020. Dengan menerapkan kebijakan ini perusahaan asuransi dapat menghindari batalnya perjanjian akibat dari force majeure.

**Kata Kunci:** Force Majeure; Asuransi; COVID-19; Debitur.

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## INTRODUCTION

The definition of an agreement, according to Subekti, is an event where someone promises to another person or where the two people promise each other to do something. However, suppose one of the parties who agreed cannot carry out its obligations due to an unexpected reason. In that case, the situation can be force majeure. Force majeure or circumstances force forgiveness of the parties' negligence against the agreement, thereby releasing the negligent party from the obligation to compensate. Corona Virus Disease, commonly known as COVID-19, is the name given to the epidemic currently infecting various countries globally, including Indonesia. The virus, which first finds in Wuhan's city in China's Hubei province, has quickly spread to various countries and with the number of cases experiencing a rapid and widespread spike around the world. This situation made the World Health Organization (WHO) set to raise this virus's status to become a global pandemic. Positive cases of COVID-19 in Indonesia have continued to increase since the first patient was announced in early March 2020 and made the public even more aware of the spread of this virus.

Apart from the health sector, the COVID-19 pandemic has also affected various economic activity sectors in Indonesia, including insurance activities. Insurance is a financial business in which a person who registers himself in an insurance program will divert any risks that may exist from within him. The risks referred to in the form of things that a person does not want will be transferred to the insurance company where he/she is registered. Insurance is considered an agreement between the two parties—the agreement stated in a deed that is commonly called a policy. Insurance law in Indonesia itself regulated in the Commercial Code, Law Number 40 of 2014 concerning Insurance, and other supporting regulations such as the Financial Services Authority Regulation.

The outbreak of COVID-19 has an indirect impact on insurance participants, both individuals, and corporations. Economic difficulties caused by the spread of this virus have affected customers' ability to make premium payments each month. However, the monthly premium payment must continue because it is an achievement of the customer according to the insurance company's agreement. This situation should be considered as force majeure because it is a situation that appears beyond the capabilities and wishes of the parties to the agreement. Besides, this situation also affects the debtor's ability to carry out the agreement. Force Majeure can be a condition that occurs after enacting the agreement /contract, which prevents the debtor from fulfilling his obligations. One of the articles that regulate force majeure is article 1245 of the Civil Code, "There is no compensation for costs, losses, and interest if due to coercive circumstances or because of something that happens by chance, the debtor prevented from giving or doing something that is required or committing an act. Which is off-limits to him ". Under Article 1245 of the KUHPperdata, the debtor should exempt from the obligation to compensate because the COVID-19 pandemic situation is beyond the debtor's capacity and willingness. Thus, placing this situation as a coercive situation fails to carry out one of the parties' obligations according to the

agreed agreement. All this time, government tends to be passive to give protection for the consumers.<sup>1</sup>

Departing from this, the focus of the author's initial observations is in the context of insurance administration during this pandemic. Given that before it was declared a pandemic, COVID-19 was still not considered a compelling state and had not yet considered affecting debtors' ability to make premium payments. However, after its status is declared a pandemic, uncertainty arises about whether this virus becomes a coercive condition in an agreement and affects the debtor's ability to carry out his performance according to the insurance company's agreement. A state must meet several criteria to be considered a compelling state. If it does not meet the criteria, a condition cannot be said to be a compelling state. These things raise the question of the criteria that must meet to be called a force majeure. Then, potential policies can insurance companies deal with this virus as force majeure under applicable legal regulations. This situation raises uncertainty regarding the implementation of insurance during this COVID-19 virus pandemic.

## RESEARCH METHODS

This research is normative legal research (normative research) conducted by examining secondary, primary, and tertiary law sources. The research conducted using a conceptual approach and a statute approach.

## COVID-19 AS FORCE MAJEURE IN THE INSURANCE AGREEMENT

The debtor (the debtor) can have committed a "default" if the debtor does not do what he promised. The debtor is also considered negligent or violates the agreement if the debtor does something that is not allowed. However, before the debtor can be said to be in default, he must first prove his negligence in executing the agreement. There are 4 (four) types of default that a debtor can commit, including: a. Not doing the obligations that must fulfill; b. Fulfill the obligations that have been promised but not as promised; c. Being late in carrying out obligations as promised; d. Do something that is not allowed in the agreement.

A debtor accused of negligence and is held accountable for negligence by the debtor can submit several reasons as self-defense to escape the punishment that will ensnare him. One solution that can be done by the debtor is by submitting a defense by using the reason of force majeure. Force majeure is an unexpected or unknown event that occurs out of control. It can prevent a party from fulfilling its obligations contained in the agreement. In another sense, the failure to fulfill an agreement or the delay in implementing the agreement is not due to negligence. Force majeure is one of the clauses commonly found in an agreement because the position of force majeure in a principal agreement is not separated as an additional agreement and linked according to an access agreement.

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<sup>1</sup> Susanto, T. H., Miru, A., & Sitorus, W. (2019). Legal Protection for Domestic Airlines Consumers Related with Ticket Purchasing. *Mulawarman Law Review*, 4(1), 1-13. <https://doi.org/10.30872/mulrev.v4i1.40>

Force majeure events prevent the debtor from bearing the consequences and risks of the agreement. Therefore, this event is a deviation from the general principle. According to the general principle, a debtor must be accountable for all negligence committed by making compensation and considering all risks due to the negligence. However, parties who do not fulfill their obligations due to force majeure cannot be blamed or asked for compensation. Therefore, circumstances or events that occur unexpectedly beyond the debtor's calculation and ability become a legal basis that frees the debtor from the obligation to pay compensation, either in whole or in part. In the Civil Code, two articles regulate force majeure.<sup>2</sup>

The two articles above can regulate the same principle; namely, the debtor releases to carry out the responsibility for compensation caused by force majeure or coercive circumstances. Apart from the Civil Code, force majeure also regulating in several other regulations, one of which is Presidential Regulation No. 4 of 2015 concerning the Fourth Amendment to Presidential Regulation No. 54 of 2010 concerning Government Procurement of Goods / Services Article 91 paragraph (1).<sup>3</sup> The conclusion drawn from the articles above is that an event that occurs accidentally, unexpectedly, and cannot be borne by the debtor and causes the debtor to force to violate the performance of an agreement is the definition of a compulsion. One of the conditions for force majeure is that the event that occurs must be unexpected. It should underline that "unexpected" events are an essential factor. A situation can be said to be a force majeure. At the time of agreeing, the unexpected event is that the parties could not predict that circumstances would arise that could hinder the future agreement. Suppose one of the parties has suspected that they will default. In that case, it can say that one of the parties has bad faith, which results in the reason for the coercive circumstances not acceptable. Another critical factor of force majeure is that it is true that it has hindered the implementation of a party's performance obligations. If the circumstances mentioned above do not prevent achievement, it is difficult to prove that force majeure has occurred.

Force majeure is a legal cause that releases the debtor from the responsibility of implementing compensation even though the debtor has violated the agreement by failing to perform his / her performance. Therefore, force majeure can be said to be a cause of forgiving the law. However, not all circumstances position the debtor in an unlikely situation. Sometimes, force majeure is only partial and does not entirely prevent a debtor from carrying out his performance. In theory, there are two types of force majeure; absolute force majeure and relative force majeure.

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<sup>2</sup> Article 1244 of the Civil Code: The debtor must be punished to cover costs, losses, and interest. If he cannot prove that the contract did not carry out or the engagement's timing was not correct, it causes by something unforeseen, which could not be borne by him. However, there is no bad faith in him. Article 1245 of the Civil Code: There is no compensation for costs, losses, and interest. If due to coercive circumstances or things that happen coincidentally, the debtor prevents them from giving or doing something required or doing something that prohibits them.

<sup>3</sup> Force majeure is a situation that occurs outside the will of the parties and cannot be predicted in advance so that the obligations specified in the contract can not fulfill.

Each of these circumstances has its characteristics in preventing the debtor from carrying out his agreement. Absolute force majeure places the parties in the impossibility of exercising their rights and obligations according to the agreement. The agreement cancels itself, and the parties return to their original state. Because the obstacles and impossibilities are permanent until the agreement's fulfillment is impossible to implement, it is different from relative force majeure. The implementation of obligations is still possible to do even though it gets obstacles and requires considerable sacrifice from the debtor. Force majeure appears relatively when an agreement is still possible to implement, and it is just that it requires a tremendous sacrifice or expense for the debtor. In addition, this situation only suspends the parties' obligation to perform performance or contractual obligations. Due to the relative force majeure, the conditions that implement obligations impossible are only temporary.

As a consequence, contract execution can postpone until the factor that causes the force majeure ends. If the force majeure factor has disappeared, the obligation to excel will reappear. In Indonesia itself, there are two types of coercive clauses that include in the agreement, namely exclusive and non-exclusive. In the exclusive clause type, force majeure is only specific to the contract agreement's circumstances. The parties agreeing are free to limit the events considered force majeure in the agreement they make. As for the non-exclusive clause, there are no restrictions regarding what conditions are included in the agreement's force majeure. A situation can be force majeure as long as certain conditions agreeing upon for the validity of such a condition meet. Besides, it is not uncommon for agreements to recognize force majeure when the state states that the incident is a coercive situation.

Regarding COVID-19 as a force majeure for insurance agreements, there are at least three benchmarks that must be met so that this situation can be applied as a force majeure: 1. The incident must be beyond the control of the parties; 2. The parties' ability to carry out the agreement was not implemented due to the incident; 3. The parties have taken all necessary steps to avoid or mitigate risks arising from the event or force majeure in question.

If these three criteria are met, then the parties can avoid default because they do not implement the agreement. In the context of the spread of COVID-19, the first and second force majeure criteria have been met because the virus directly or indirectly affects debtors' performance and capacity, both individuals and corporations. Apart from being an unexpected event and beyond the control of the parties, the spread of the virus has indeed affected the debtor's ability to carry out his achievements, according to Regulation of the Minister of Health Number 9 of 2020 concerning Guidelines for Large-Scale Social Restrictions in the Context of Accelerating Handling of Corona Virus Disease 2019 (COVID-19) Article 13 states that one form of implementation of the PSBB is workplace leisure. This is one of the government's efforts to tackle the spread of COVID-19 in Indonesia. However, this workplace vacation has another effect on the economic capacity of each debtor in the insurance agreement, for individual debtors who are sent home during the implementation of PSBB and receive salary deductions or even not receiving salaries, which causes the debtor to have difficulty paying the agreed insurance premiums.

Meanwhile, for corporate debtors, workplace vacation has an effect on company opinion, which ultimately affects the smoothness of premium payments to insurance companies. Furthermore, the third criterion must be met to determine that COVID-19 is a force majeure. The parties must prove that they have taken all necessary steps to avoid the risks posed by the virus. This is important because according to article 1244 of the Civil Code, the debtor must prove that the promised achievement is not carried out due to an unforeseen reason that the debtor cannot bore. If it is proven that the parties have taken all steps to avoid the risks that arise but have failed, then COVID-19 can be said to be a force majeure. After that, the application of article 1245 of the Civil Code can be carried out, which directly frees the debtor from the obligation to bear the risk or make compensation for failing to perform according to the agreement. Because of the obstacles or obstructions that occur while the debtor is in negligence, the debtor cannot use it as an excuse for force majeure.

After determining that COVID-19 is a force majeure in an insurance agreement, it is necessary to identify whether this situation is absolute or relative. The spread of the virus does affect the debtor's ability to carry out his achievements. However, this situation did not ultimately hinder the fulfillment of achievements. This is important to pay attention to so that debtors do not take advantage of the COVID-19 pandemic as a force to avoid the obligation to carry out the agreement. Through Regulation of the Minister of Health of the Republic of Indonesia Number 9 of 2020, the government is trying to control the spread of the virus so that economic activity can restore to normal as soon as possible. Besides, vaccine development is carried out in order to tackle COVID-19. Suppose these steps have been successful and the situation returns to normal. In that case, it will indirectly eliminate the force majeure element from the virus so that the debtor can carry out his achievements again without hindrance. This situation proves that the COVID-19 pandemic is only temporary and will disappear at a later date. After that, the debtor's obligation to fulfill his / her achievements will reappear. So, it can conclude that this places COVID-19 as a relative force majeure.

COVID-19 can be said to be a force majeure in an insurance agreement. However, according to article 1244 of the Criminal Code, the debtor must prove that the situation cannot blame him. There are several criteria that a situation must meet to categorize as force majeure that affects the agreement. First, the incident must be beyond the control of the parties. Second, the ability of the parties to carry out the agreement not implemented due to the incident. Third, the parties have taken all steps to avoid or mitigate the risks arising from the event in question. Later, after it is proven, then Article 1245 of the Criminal Code can be applied, which directly exempts the debtor from the obligation to make compensation. Besides, even though COVID-19 is said to be a force majeure, this situation is only relative. This situation only deferred the parties' obligations to carry out the agreement because the fulfillment of the achievements was not possible only temporarily. After the situation returns to normal, it will automatically eliminate the element of force majeure in COVID-19. Thus, the obligations of the parties to implement the agreement will reappear.

In tackling COVID-19 as a force majeure in insurance agreements, according to the Financial Services Authority Regulation Number 14 of 2020 concerning the



Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019 For Non-Bank Financial Services Institutions, insurance companies can carry out an agreement restructuring policy in the face of the COVID-19 pandemic. Insurance companies can implement relaxation of postponement of premium payments to customers affected by COVID-19 as a form of contract restructuring. In the Letter of the Financial Services Authority Number S-11/D.05/2020, it is stated that relaxation can be carried out for four months for individual and corporate customers. Customers can apply for financing restructuring by proving that the debtor's economic capacity is affected by the COVID-19 pandemic. After that, the insurance company can conduct an assessment to determine whether the financing restructuring is feasible or not. By implementing this policy, insurance companies can avoid the cancellation of agreements due to force majeure and provide convenience for customers affected by the COVID-19 pandemic.

### **POSSIBLE POLICIES THAT CAN BE TAKEN BY INSURANCE COMPANIES IN INDONESIA**

According to the Law of the Republic of Indonesia Number 40 of 2014 concerning Insurance, insurance is an agreement made by two parties between the insurance company and the policyholder, which is the source of premium receipt by the insurance company as compensation for giving protection to the insured or policyholder due to losses, costs damage arising, loss of profit, or legal liability to a third party that the insured or policyholder may suffer due to an uncertain event or delivery of payment based on the death of the policyholder or payment based on the policyholder's life with a predetermined amount of benefits and/or based on the results of fund management. From this article, it can conclude; in the insurance itself, two parties promise each other, namely the policyholder (the debtor) who transfers the risk by providing a premium for the second party, namely the insurance company (the Creditor), which later the Creditor agrees to pay a number of possible losses. Will happen to the policyholder. It can be concluded from this that any losses that will arise in the future will be transferred to the insurance company as the insurer. In addition, insurance is also regulated as an insurance agreement that has been formulated in the Indonesian Commercial Code (KUHD). General provisions related to insurance are regulated in an article in the regulation, which is as follows:

Article 246 KUHD:

"Insurance or coverage is an agreement, with an insurer binding himself to an insured person by receiving a premium to compensate him for a loss, damage or loss of expected profit which he may suffer due to an unspecified event".

The conclusion of this article, there are four elements in the concept of insurance, among others:

- a. Creditor (guarantor) as the provider of protection.
- b. The debtor (the insured) is the recipient of protection.
- c. The event (event) is a situation that was unexpected or known in advance and the situation causes losses.

- d. The interest (interest) of policyholders, who may bear the risk due to an event that occurs.

Black's Law Dictionary defines insurance as an agreement that underlies a creditor that promises to do something that has value for the debtor for a particular event. Besides, insurance can also be defined as an agreement that underlies a party to take over the risks that arise and are experienced by the policyholder for the compensation for the payment of a premium agreed by both parties. In the Financial Services Authority Regulation Number 14 of 2020 concerning the Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019 for Non-Bank Financial Services Institutions, insurance companies themselves can be called non-bank financial services institutions or NBFIs. In the same regulation, article 2, point 1 explains that NBFIs in the form of insurance companies include: a. Insurance company; b. Reinsurance company; c. Islamic; d. Insurance company; e. Sharia reinsurance company; f. Insurance brokerage company; f. Reinsurance brokerage company; g. Insurance loss appraisal company

As referred to in the statutory provisions concerning insurance. After describing several definitions of insurance that have been clearly written in several laws and regulations, several experts also explain the definition of insurance itself. Wirjono Projodikoro thinks that insurance is an agreement in which the guarantor promises the insured party to compensate the party due to an unexpected event that may occur with a compensation payment of an agreed premium amount. Meanwhile, Radius Purba believes that insurance is an agreement made using the insurer binding himself to the insured to obtain premiums as compensation for losses caused by the loss or not obtaining the original goal's benefits and could be accepted due to unexpected circumstances.

From the several opinions that have been presented, it can be concluded that the purpose of insurance is as a form of risk transfer that may arise as a result of uncertain events, and when a risk occurs, then the Creditor will bear all the losses from the risk experienced. So that as long as the debtor does not experience a loss, the Creditor does not need to compensate the debtor. Risk is an uncertainty that may cause losses in the future. According to Ferdinand Silalahi, the risk is the deviation of the actual results from the expected results can be as sure that the risk can occur in an unpredictable time. Besides, the risk also creates several losses for a party. If these things arise, then the definition of the risk will be fulfilled for every element.

Apart from the health sector, COVID-19 affects various aspects of the economy, especially in the insurance sector. The slowdown in performance in the insurance industry cannot be separated from the spread of COVID-19, which indirectly impacts insurance participants, both individuals, and corporations. The economic downturn caused by the spread of this virus has affected insurance customers' ability to make premium payments each month. This is due to the implementation of the PSBB in several cities in Indonesia, which made many people lose their source of income. With this policy, the community's movement is limited to suppress the spread of the virus and ultimately affect the economic sector. Various jobs are forced to lay off workers without wages and salaries. It is not uncommon to find companies that cut off their employees' working relationships to survive the COVID-19 pandemic situation. A



difficult situation is also experienced by corporate customers who have experienced a decline in profits, which has caused problematic premium payments to insurance companies. This causes most insurance customers to experience difficulties in paying the insurance premi been promised.

Seeing from this condition, the inability of insurance customers to fulfill the communities momentarily agreed comes from external causes that cannot be predicted beforehand. Therefore, the insurance company cannot entirely blame the customer for the problematic premium it isn't. Because as previously explained, COVID-19 can be considered a force majeure in the agreement if it meets the criteria. However, this situation also cannot be directly described as force majeure. Article 1244 of the Civil Code states that the debtor is obliged to prove that the situation cannot be blamed on him. According to article 1245 of the Civil Code, the debtor is directly exempted from the obligation to compensate.

In looking at COVID-19 as a force majeure, there are policies that insurance companies can take during this pandemic. This policy has been regulated in the Financial Services Authority Regulation Number 14 of 2020 concerning the Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019 for Non-Bank Financial Service Institutions. In the regulation, article 9 paragraph (1) explains that "NBFIs can restructure financing for debtors who are affected by the spread of COVID-19". Such financing restructuring can be carried out by considering the following matters:

- a. There are requests for financing restructuring from debtors affected by the spread of COVID-19.
- b. There is an assessment of the feasibility of restructuring from NBFIs.

Debtors who feel affected by the spread of COVID-19 can request financing restructuring to suit the economic situation experienced by the debtor. Later, as a creditor, the insurance company will first review the feasibility of providing financing restructuring to debtors under the policies of each insurance company. Besides, Article 9 paragraph (4) states, "Financing restructuring for debtors who are affected by the spread of COVID-19 as referred to in paragraph (1) can be carried out for financing provided before or after the debtor is affected by the spread of COVID-19. This means that the insurance agreement made before or after the debtor is affected by the spread of the virus, which causes a weakening of the debtor's economic capacity to pay premiums, can be restructured if the insurance company deems it feasible to do so. Later, the insurance company can provide new financing to debtors, which refers to an appropriate financing analysis, thereby showing confidence in the debtor's ability and goodwill to repay the new financing provided. Besides, in responding to this situation, insurance companies must also have their respective policies to determine debtors affected by COVID-19 to carry out financing restructuring. Policies related to the determination of affected debtors are regulated in company guidelines approved by the board of directors or an equal position. Guidelines for determining affected debtors can be prepared to contain at least the criteria that have been determined as debtors affected by COVID-19 and economic sectors affected by the spread of COVID-19.

In a restructuring, insurance companies can implement the relaxation of premium payment delays to customers who experience weakening economic capacity due to the pandemic. Referring to the letter of the Financial Services Authority Number S-11/D.05/2020, the insurance industry can relax for four months for both individual and corporate customers. The same regulation also states that the relaxation of the postponement of premium payments is valid for four months from February 2020. With this step, the affected debtor is given the opportunity to rearrange his obligations to be adjusted to the debtor's economic conditions. Also, this policy also provides convenience to debtors during the COVID-19 pandemic situation. However, this restructuring policy is not necessarily mandatory for every insurance company in Indonesia. According to the Indonesian Life Insurance Association, insurance companies are not required to impose postponement of premium payments for customers. This policy is an option that can be taken by each insurance company.

From these things, the policy that can be taken by insurance companies when facing COVID-19 as a force majeure in the agreement is to carry out a financing restructuring policy. The implementation of this policy can be carried out for all financing agreed in the agreement and aims at insurance customers affected by the pandemic. However, it needs to be considered again in its implementation so that it is not misused by debtors who are not experiencing economic difficulties and can still pay premiums. This must be done because the restructuring policy's basis is to ease the burden on insurance companies and customers affected by the COVID-19 pandemic. This policy can also be said to be better than canceling existing agreements. Furthermore, it should note that this financing restructuring must carry out by referring to the applicable regulations to avoid losses to either party in the agreement.

## **CONCLUSION**

COVID-19 can be said to be a force majeure in an insurance agreement. There are some criteria that a situation must meet to be categorized as force majeure that affects the agreement. First, the incident must be beyond the control of the parties. Second, the parties' ability to carry out the agreement was not implemented due to the incident. Third, the parties have taken all steps to avoid or mitigate the risks arising from the event in question. Later, after it is proven, then Article 1245 of the Criminal Code can be applied, which directly exempts the debtor from the obligation to make compensation. Besides, even though COVID-19 is said to be a force majeure, this situation is only relative. This situation only deferred the parties' obligations to carry out the agreement because the fulfillment of the achievements was not possible only temporarily. After the situation returns to normal, it will automatically eliminate the element of force majeure in COVID-19. Thus, the obligations of the parties to implement the agreement will reappear. Insurance companies can implement relaxation of postponement of premium payments to customers affected by COVID-19 as a form of contract restructuring. The Letter of the Financial Services Authority Number S-11/D.05/2020 states that relaxation can be carried out for four months for individual and corporate customers. Customers can apply for financing restructuring by proving that the debtor's economic capacity is affected by the COVID-19 pandemic. After that, the insurance company can conduct an assessment to determine whether

the financing restructuring is feasible or not. By implementing this policy, insurance companies can avoid agreements due to force majeure and provide convenience for customers affected by the COVID-19 pandemic.

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