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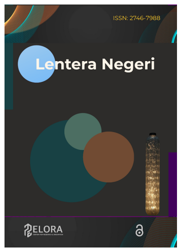

Good faith as a normative standard for policyholder rights in insurance obligation settlement: a doctrinal analysis of the jiwasraya case, 2019-2025

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ABSTRACT

This study examines the legal adequacy of the settlement of PT Asuransi Jiwasraya (Persero)'s obligations to policyholders by using good faith as an explicit normative standard. The issue is examined across the restructuring, policy-transfer, and post-license-revocation stages rather than treating the existence of a settlement mechanism as proof that contractual rights have been fulfilled. This doctrinal legal research applies statutory, conceptual, and case approaches to ten core primary and official materials: the Indonesian Civil Code; Law No. 40 of 2014 on Insurance as amended by Law No. 4 of 2023; OJK Regulation No. 22 of 2023; three Central Jakarta District Court decisions concerning Jiwasraya; two OJK press releases issued in August 2024; and the 2025 OJK decision/announcement revoking Jiwasraya's life-insurance business license. Case-specific materials cover 2019-2025 and were purposively selected for authority, direct relevance to policyholder rights, and connection with restructuring or settlement. The materials were analyzed through grammatical, systematic, and teleological interpretation and deductively coded against five good-faith parameters: contractual certainty and continuity of benefits, transparency and adequacy of information, meaningful consent, proportionality and balance of interests, and access to legal protection and remedies. The analysis shows that restructuring and policy transfer are legally relevant settlement instruments, but they do not by themselves establish substantive fulfillment of all policyholder rights. OJK's reported 99.7% restructuring approval is treated as aggregate evidence of acceptance, not as proof that every consent was informed, voluntary, or equivalent to full contractual performance. The post-revocation stage also leaves continuing duties to protect unresolved policyholder interests. The study contributes a replicable doctrinal framework for assessing insurance-obligation settlements through good faith while recognizing that its conclusions are legal-normative rather than statistically generalizable.

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Introduction

Insurance contracts create reciprocal legal obligations in which policyholders perform premium obligations in exchange for the insurer's promise of coverage and benefit payment. When an insurer is unable to perform, policyholder protection cannot be reduced to the existence of an administrative rescue mechanism; it must be assessed against the rights created by the policy, applicable insurance law, and consumer-protection standards. Recent studies in Indonesia consistently show that insurer default raises questions of legal certainty, continuity of benefits, access to remedies, and the institutional design of policyholder protection (Pradana, 2021; Budiman et al., 2022; Mediawati et al., 2023; Sembiring, 2023).

PT Asuransi Jiwasraya (Persero) provides a particularly important case because the company's inability to meet obligations developed into a multi-stage settlement process. OJK reported on 19 August 2024 that 99.7% of policyholders had approved the restructuring scheme and that the policies concerned had been transferred to PT Asuransi Jiwa IFG (IFG Life). OJK subsequently facilitated a meeting with representatives of policyholders who rejected restructuring and stated that ongoing legal processes should be respected (Otoritas Jasa Keuangan, 2024a, 2024b). These facts show both the breadth of the settlement scheme and the continuing existence of policyholders whose legal interests cannot be inferred from the aggregate approval figure alone.

The legal context changed again when OJK revoked Jiwasraya's life-insurance business license through Decision No. KEP-9/D.05/2025 dated 16 January 2025, announced through PENG-14/PD.02/2025. The revocation forms part of supervisory action to protect policyholders and requires the company to cease insurance business while continuing the legally prescribed settlement process (Otoritas Jasa Keuangan, 2025). Accordingly, the relevant legal inquiry is no longer limited to whether restructuring occurred, but extends to whether contractual rights remain legally certain and protected throughout restructuring, policy transfer, and post-revocation settlement.

Previous Jiwasraya studies have examined payment default, contractual liability, restructuring, insolvency, bankruptcy, and regulatory supervision. Palyama (2022) and Solichin (2021) discuss legal protection following Jiwasraya's payment failure; Wijaya and Soemarwi (2022) examine restructuring from the perspective of contract law; Wiyasih and Soemarwi (2022) focus on judicial protection; Mono and Lie (2024) analyze bankruptcy-related issues; and Njatrijani et al. (2024) emphasize the supervisory role of OJK. Related studies on insurer default also stress that policyholder protection must include legal certainty and effective remedial pathways rather than formal contractual recognition alone (Hazhin & Diaz, 2022; Sumiarni & Christiani, 2023; Mahatma, 2024; Purnomo et al., 2024).

A second strand of literature concerns good faith and utmost good faith in insurance contracts. These studies emphasize reciprocal honesty, disclosure, fairness, and the insurer's own duty to provide adequate information rather than treating utmost good faith as a burden borne only by the insured (Mulhadi & Harianto, 2022; Firmansyah et al., 2023; Rusmini, 2023; Tresnoputri & Djajaputra, 2023; Musjab, 2024). More recent doctrinal developments similarly place good faith within a balanced model of protection that restricts unilateral consequences and requires proportionality in insurance relationships (Hernoko et al., 2025).

The gap addressed by this study is therefore normative and analytical, not statistical. Existing scholarship generally examines Jiwasraya's default, restructuring, regulatory intervention, or the doctrine of good faith as separate issues. It does not provide an explicit and reproducible doctrinal framework that evaluates the entire settlement continuum - restructuring, transfer, treatment of dissenting policyholders, and post-license-revocation obligations - through defined good-faith criteria. Because this is doctrinal legal research, dependent and independent variables are not methodologically appropriate; the unit of analysis is the legal meaning and adequacy of authoritative legal materials rather than measured behavior or perception.

The novelty of this study lies in operationalizing good faith as five normative parameters: (1) contractual certainty and continuity of benefits; (2) transparency and adequacy of information; (3) meaningful consent, understood as informed and voluntary agreement; (4) proportionality and balance of interests; and (5) continued access to legal protection and remedies. These parameters connect general contract-law duties under Article 1338(3) of the Civil Code with the specific protection of policyholders under insurance and financial-services regulation. They also distinguish procedural completion of restructuring from substantive fulfillment of contractual rights.

The study contributes theoretically by converting good faith from an abstract doctrinal principle into an auditable legal framework for evaluating insurance-obligation settlements. Practically, the framework can assist regulators, insurers, courts, and policyholders in distinguishing between administrative completion of a restructuring program and legally adequate protection of rights. The framework is particularly relevant where corporate financial constraints require modifications to existing contractual relationships but do not eliminate the need for transparency, proportionality, and enforceable remedies.

Accordingly, this study addresses two operational research questions: (1) under the applicable Indonesian contract and insurance-law framework, which elements of policyholders' contractual rights remain legally relevant across Jiwasraya's restructuring, policy-transfer, and post-license-revocation settlement stages? and (2) how do the five good-faith parameters identified above evaluate the legal adequacy of those settlement mechanisms?

Method

Research design and unit of analysis

This study uses doctrinal (normative) legal research. The unit of analysis is not individual policyholder behavior but legal norms, official settlement documents, and judicial materials that determine or illuminate the content and protection of policyholders' contractual rights. Statutory, conceptual, and case approaches are combined so that rules, principles, and case-specific settlement events can be assessed within one legal framework (Marzuki, 2017).

Legal corpus and selection criteria

The core corpus consists of ten primary or official legal materials. Foundational instruments are the Indonesian Civil Code; Law No. 40 of 2014 on Insurance as amended by Law No. 4 of 2023 on Financial Sector Development and Strengthening; and OJK Regulation No. 22 of 2023 on Consumer and Community Protection in the Financial Services Sector. Case-specific materials cover 2019-2025 and comprise Central Jakarta District Court Decisions No. 589/Pdt.G/2019/PN.Jkt.Pst, No. 431/Pdt.G/2020/PN.Jkt.Pst, and No. 09/Pdt.G.S/2021/PN.Jkt.Pst; OJK Press Releases SP-123/OJK/GKPB/VIII/2024 and SP-125/OJK/GKPB/VIII/2024; and OJK Decision No. KEP-9/D.05/2025 as announced in PENG-14/PD.02/2025. Secondary materials consist predominantly of peer-reviewed journal articles published in 2020-2026 on policyholder protection, insurer default, restructuring, good faith, and insurance dispute resolution.

Materials were purposively included when they met all of the following criteria: (a) authoritative or peer-reviewed provenance; (b) direct relevance to Jiwasraya, policyholder rights, insurance default, restructuring, or good faith; (c) sufficient legal content to identify rights, duties, procedures, or remedies; and, for case-specific materials, (d) temporal connection with the 2019-2025 settlement process. News commentary, duplicated summaries, unsupported opinion pieces, and materials without identifiable legal relevance were excluded.

Operationalization of good faith

Good faith is operationalized through five deductive criteria derived from Article 1338(3) of the Civil Code, insurance-law doctrine, consumer-protection norms, and recent scholarship: (1) contractual certainty and continuity of benefits; (2) transparency and adequacy of information; (3) meaningful consent, including whether acceptance can reasonably be treated as informed and voluntary; (4) proportionality and balance between corporate settlement constraints and accrued policyholder interests; and (5) availability and continuity of legal protection and remedies. A settlement is treated as normatively adequate only when the authoritative materials support these dimensions; the existence of restructuring, policy transfer, or a high acceptance rate is not used as a proxy for substantive fulfillment.

Analytical procedure

Analysis was conducted in seven documented stages: inventory of authoritative materials; eligibility screening against the stated criteria; extraction of relevant legal propositions and settlement events; deductive coding to the five good-faith parameters; grammatical, systematic, and teleological interpretation of the relevant provisions; cross-source comparison among statutes, court decisions, OJK documents, and peer-reviewed literature; and prescriptive synthesis to answer the research questions. This procedure creates an auditable trail from source to legal conclusion and reduces the risk that descriptive events are treated as findings without normative justification.

Reliability, validation, and scope

The study was conducted as a single-analyst doctrinal review; therefore, statistical inter-rater or intercoder reliability is not applicable. Analytical credibility is instead strengthened by a predefined coding framework, hierarchy of legal authority, source triangulation, transparent inclusion criteria, and explicit separation between official factual statements and the author's normative assessment. OJK's 99.7% approval figure, for example, is coded only as an official aggregate statement concerning restructuring acceptance and is not converted into evidence of informed consent or complete rights fulfillment. This design supports analytical reproducibility while recognizing the limits of a single-case doctrinal study.

Table 1. Core primary and official legal materials used in the doctrinal analysis

Source type	Instrument/document	Function in analysis
Contract law	Indonesian Civil Code, especially Arts. 1320 and 1338	Validity, binding force, and good-faith performance of contracts.
Insurance statute	Law No. 40/2014 as amended by Law No. 4/2023	Policyholder protection, insurer obligations, and sectoral settlement framework.
OJK regulation	OJK Regulation No. 22/2023	Information, fair treatment, complaints, and consumer-protection standards.
Court decisions	589/Pdt.G/2019; 431/Pdt.G/2020; 09/Pdt.G.S/2021 (Central Jakarta District Court)	Case-specific treatment of Jiwasraya obligations, restructuring, and contested rights.
OJK settlement documents	SP-123/OJK/GKPB/VIII/2024 and SP-125/OJK/GKPB/VIII/2024	Official account of restructuring approval, policy transfer, and treatment of dissenting policyholders.
OJK post-revocation document	KEP-9/D.05/2025 / PENG-14/PD.02/2025	Legal status and continuing obligations after revocation of the business license.

Research problem -> corpus selection -> statutory/conceptual/case analysis -> deductive coding using five good-faith parameters -> cross-source triangulation -> prescriptive juridical synthesis

Figure 1. Research design and analytical flow

Results and Discussions

Analytical Findings from the Jiwasraya Legal Corpus

The following findings are doctrinal findings derived from the legal corpus rather than statistical frequencies. Each finding is stated first as a source-based proposition and then evaluated against the predefined good-faith framework. This structure separates the analytical output of the study from the doctrinal discussion used to interpret it.

Table 2. Doctrinal findings against the good-faith framework

Good-faith parameter	Corpus-based finding	Normative implication
Contractual certainty and benefit continuity	Restructuring and transfer to IFG Life are official settlement instruments intended to continue coverage, while the post-revocation framework confirms that unresolved obligations remain legally relevant.	Administrative transfer is not equivalent to proof that every original contractual entitlement has been substantively realized.
Transparency and adequacy of information	OJK documents publicly describe the restructuring, transfer, and position of dissenting policyholders, but the corpus does not establish what information each individual policyholder received or understood.	Transparency must be assessed from the adequacy of legally relevant information, not merely the existence of public announcements.
Meaningful consent	OJK reported 99.7% restructuring approval. The corpus does not provide claimant-level evidence showing the voluntariness, comprehension, or bargaining conditions of every approval.	The 99.7% figure supports aggregate acceptance only; it cannot independently establish informed consent or complete fulfillment of rights.
Proportionality and balance	The settlement responds to Jiwasraya's financial constraints while altering existing contractual relationships and benefits.	Good faith requires a proportionate balance between feasible corporate settlement and preservation of policyholders' accrued legal interests.
Legal protection and remedies	OJK acknowledged policyholders who rejected restructuring and respected ongoing court processes; revocation of the business license did not erase outstanding settlement duties.	Access to remedies and continued protection are part of rights fulfillment throughout, and not only before restructuring is implemented.

Taken together, the corpus supports a distinction between settlement implementation and rights fulfillment. Jiwasraya's restructuring can be legally relevant and widely accepted while the adequacy of individual rights still requires separate assessment under the five parameters. This distinction is consistent with recent policyholder-protection scholarship, which emphasizes substantive legal certainty, reciprocal good faith, and effective remedies in addition to formal settlement mechanisms (Pradana, 2021; Mulhadi & Harianto, 2022; Mediawati et al., 2023; Sembiring, 2023; Musjab, 2024).

Doctrinal Interpretation of Policyholders' Contractual Rights

The legal relationship between the insurance company and the policyholder is basically a contractual relationship that gives birth to rights and obligations for each party. In an insurance agreement, the insurance company is positioned as an insurer who is obliged to provide protection and fulfill insurance benefits in accordance with the risks and conditions that have been agreed. On the other hand, the policyholder is obliged to fulfill the achievements for which he is responsible, especially in terms of premium payments. Since the insurance agreement is legally formed, the policyholder's contractual rights are not solely a consequence of premium payments, but also part of the achievements that must be respected and fulfilled by the insurance company in accordance with the content of the agreement and the applicable legal provisions (Mulhadi & Harianto, 2022; Tresnoputri & Djajaputra, 2023).

Juridically, the contractual relationship rests on the provisions of Article 1320 of the Civil Code which regulates the legal conditions of an agreement. The fulfillment of these conditions is the basis for the birth of a valid and binding contractual relationship between the parties. Furthermore, Article 1338 paragraph (1) of the Civil Code emphasizes that an agreement made legally applies as a law to the party who makes it. This provision reflects the principle of pacta sunt servanda, which requires that agreements that have been legally made be respected and implemented by the parties. On the basis of this principle, the rights that have been agreed upon in the policy basically have binding force and their fulfillment remains part of the contractual obligations of the insurance company, even though in its development the company faces difficulties in fulfilling these obligations (Civil Code, Articles 1320 and 1338(1)).

The binding power of the agreement needs to be understood within the framework of Article 1338 paragraph (3) of the Civil Code which requires that the agreement be implemented in good faith. The principle of good faith does not only require formal compliance with the provisions contained in the contract, but also requires that the parties act honestly, appropriately, and reasonably while still paying attention to the interests of the other party during the contractual relationship. In this framework, the principle of good faith becomes relevant not only to assess whether or not the insurance company's obligations are fulfilled, but also to assess the method and settlement process taken when the obligation cannot be fulfilled in accordance with the conditions originally agreed upon (Civil Code, Article 1338(3)).

Recent insurance-law scholarship treats good faith as a reciprocal limitation on contractual power and as a basis for maintaining proportionality between the parties (Mulhadi & Harianto, 2022; Hernoko et al., 2025). This thought has relevance in the context of insurance companies experiencing financial difficulties, because the settlement of contractual obligations brings together the interests of the company to maintain the continuity of its business with the interests of policyholders to obtain the fulfillment of the rights that have been agreed. In these conditions, the application of the principle of good faith is necessary to ensure that efforts to resolve obligations are still carried out appropriately by taking into account the interests of both parties.

In insurance law relations, the principle of good faith has more specific characteristics through the doctrine of utmost good faith or the principle of excellent faith. The doctrine places openness and honesty as important elements in the relationship between insurers and policyholders, considering that information about risk is the basis for the formation and implementation of insurance agreements. Recent scholarship explains that utmost good faith requires reciprocal disclosure of correct, complete, and material information relevant to coverage (Mulhadi & Harianto, 2022; Tresnoputri & Djajaputra, 2023). This understanding shows that the demand for good faith in insurance relationships is not limited to the stage of forming an agreement, but remains relevant throughout the contractual relationship, including in the implementation of obligations, changes in provisions, and the resolution of problems arising from insurance agreements.

The application of these principles also has a normative basis in laws and regulations in the insurance sector. Law Number 40 of 2014 concerning Insurance as amended by Law Number 4 of 2023 affirms the obligation of insurance companies to provide services to policyholders, insureds, or participants by paying attention to their interests and conveying true, non-false, and non-misleading information regarding the risks, benefits, liabilities, and costs related to insurance products (Law No. 40 of 2014). The provision shows that the protection of the rights of policyholders has a broader scope than just the fulfillment of insurance benefits.

The protection also includes the fulfillment of the right to adequate information and the demand that the company act appropriately in carrying out the legal relationship with the policyholder.

In the event that the insurance company experiences financial difficulties and is unable to fulfill its obligations as promised, the legal issues that arise are not solely related to the existence of payment obligations. These issues also include how to maintain and resolve the contractual rights of policyholders through mechanisms that have a legal basis and can be accounted for. This frame of thought is the basis for analyzing the case of PT Asuransi Jiwasraya (Persero) not only from the aspect of the company's inability to fulfill its contractual obligations, but also from the settlement process taken and the extent to which the process reflects the application of the principle of good faith in protecting the contractual rights of policyholders.

Position of the Policyholder's Contractual Rights in the Case of PT Asuransi Jiwasraya

The issue of fulfilling the contractual rights of policyholders in the case of PT Asuransi Jiwasraya (Persero) is closely related to the company's financial condition which has an impact on its ability to fulfill its obligations to policyholders. The Financial Services Authority (OJK) stated that since 2020 Jiwasraya has been asked to take steps to handle the company's inability to fulfill its obligations to policyholders affected by financial deficit conditions. As part of the company's restructuring efforts, the OJK asked Jiwasraya to prepare a Financial Restructuring Plan (RPK) (Otoritas Jasa Keuangan, 2024a). This condition is an important point in assessing the position of the contractual rights of policyholders, because the company's inability to fulfill its obligations then develops into a problem that requires a special settlement mechanism.

This condition shows that the problems faced by Jiwasraya have direct consequences for the contractual relationship between the company and the policyholder. From the perspective of agreement law, the financial difficulties experienced by the company do not necessarily remove the contractual rights that have been born from the policy. The rights of policyholders remain part of the legal relationship that has been established and therefore must be respected as long as there is no legal basis that affects its enforcement. The juridical issues that then arise are not solely about Jiwasraya's financial condition, but about how the obligations that have arisen from the contractual relationship are resolved through a mechanism that is in accordance with the law while still paying attention to and protecting the interests of policyholders.

The inability to fulfill the obligations that have been agreed upon in principle can be related to the concept of default in contract law. Article 1234 of the Civil Code determines that achievement in an agreement can be in the form of giving something, doing something, or not doing something. Furthermore, Article 1243 of the Civil Code provides a basis for demands for reimbursement of costs, losses, and interest if the debtor does not fulfill his obligations after being declared negligent (Civil Code, Articles 1238 and 1243). In the context of Jiwasraya, the issue of fulfilling the rights of policyholders has a more complex character because the settlement is not only related to the possibility of individual claims due to the non-fulfillment of achievements, but is also pursued through a broader settlement mechanism, especially policy restructuring and transfer of coverage to PT Asuransi Jiwa IFG (IFG Life).

The position of the policyholder's contractual rights in the Jiwasraya case needs to be distinguished from the mechanism taken to resolve the company's obligations. Contractual rights are the substance of rights born from the legal relationship between the insurance company and the policyholder and are objects that must be respected and protected, while policy restructuring and transfer are settlement instruments used to handle the company's obligations under certain conditions. This distinction is important in the analysis because the existence or implementation of a settlement mechanism does not necessarily indicate that the policyholder's contractual rights have been substantively fulfilled. The fulfillment of the right still needs to be assessed based on the substance of the rights obtained, its suitability with the contractual relationship, and the process taken in settling the obligation.

Policy Restructuring and Transfer as a Liability Settlement Mechanism

One of the mechanisms taken in resolving Jiwasraya's problems is the policy restructuring which is then followed by the transfer of the policy to PT Asuransi Jiwa IFG (IFG Life). In a press release dated August 19, 2024, the Financial Services Authority (OJK) said that based on information from Jiwasraya's management, around 99.7% of policyholders have approved the restructuring scheme and their policies will be subsequently transferred to IFG Life. OJK also explained that IFG Life continues to cover ex-Jiwasraya policyholders through products that are considered healthier with the aim of providing continuity of coverage and increasing guarantees for the fulfillment of policyholders' rights (Otoritas Jasa Keuangan, 2024a).

From the perspective of contract law, restructuring can be understood as an effort to maintain the continuity of the contractual relationship when the fulfillment of obligations based on the original agreement structure faces obstacles. At the same time, restructuring has the potential to have consequences on the substance of the contractual relationship, especially if it is accompanied by changes to the benefits, policy value, payment mechanism, and other provisions that were previously part of the rights and obligations of the parties. Therefore, the assessment of restructuring is not enough based on the purpose of saving the company or the number of policies that have been successfully transferred, but it is also necessary to pay attention to the extent to which the mechanism affects the substance and fulfillment of the contractual rights of the policyholder.

Recent peer-reviewed studies similarly show that insurer-default settlements can alter the practical content of policyholder rights and therefore require legal scrutiny beyond corporate rescue objectives. Palyama (2022) and Solichin (2021) identify the continuing need for legal protection in the Jiwasraya default, while Budiman et al. (2022) emphasize the legal position of policyholders in claim settlement. In the Jiwasraya restructuring context, Wijaya and Soemarwi (2022) show that restructuring affects the legal relationship between the insurer and policyholder. These studies support treating restructuring not merely as a corporate settlement policy but as a legal event with consequences for existing contractual rights and obligations.

These findings reinforce the view that restructuring is not enough to be judged solely from its existence as an instrument to save the company. From the perspective of the fulfillment of contractual rights, the assessment of restructuring needs to be directed at the legal basis on which it is based, the adequacy of the information provided to policyholders, the propriety in the implementation process, and the balance in imposing consequences due to the company's inability to fulfill its obligations. This assessment is important to ensure that restructuring does not disproportionately place the burden of resolving the company's problems on policyholders. Therefore, restructuring needs to be tested comprehensively, both in terms of the process and the substance of the changes it causes to the contractual rights of policyholders.

Policyholder Consent as an Important Element in Restructuring

Policyholder approval is one of the important aspects in assessing the legitimacy of restructuring, especially if the mechanism brings changes to the contractual relationship that has been previously formed. In agreement law, agreement is one of the conditions for the validity of the agreement as stipulated in Article 1320 of the Civil Code. Therefore, changes to contractual relationships through restructuring need to pay attention to the quality of consent given by policyholders. The agreement is not only relevant in terms of its formal existence, but also needs to be seen from whether the policyholder has obtained adequate information about changes in rights and obligations and has the opportunity to give his or her will consciously. In this context, the quality of the agreement is one of the aspects that can be used to assess the propriety of the restructuring process and its conformity with the principle of good faith.

In the case of Jiwasraya, the OJK said that around 99.7% of policyholders have approved the restructuring scheme and subsequently their policies are transferred to IFG Life (Otoritas Jasa Keuangan, 2024a). The high percentage of approvals indicates that the restructuring mechanism has obtained a very wide level of acceptance from policyholders. However, juridically, the level of approval cannot be used as the only basis for concluding that all contractual rights of policyholders have been fulfilled. Approval of a settlement scheme needs to be placed in the context of the information received, the policyholder's understanding of the consequences of the restructuring, and the substance of the rights and obligations that apply after the restructuring is carried out.

This distinction is necessary because there is a difference between the quantity of approval and the quality of approval. The quantity of approval describes the number of policyholders who accept the restructuring scheme, while the quality of approval relates to the process of forming the policyholder's will in making the decision. The quality of approval can be judged, among other things, from the availability of correct, clear, complete, and understandable information about the legal and economic consequences arising from the restructuring. From the perspective of the principle of good faith, approval is therefore not enough to be assessed based on its formal existence, but also needs to be examined based on the process of providing information and the formation of the will that precedes it.

The obligation to provide information becomes even more important when restructuring causes changes to contractual relationships that can directly affect the interests of policyholders. In these conditions, policyholders need to obtain adequate information regarding changes in benefits, payment mechanisms, policy position after transfer, as well as various legal and economic consequences that may arise from restructuring. The company's obligation to convey information correctly, clearly, and not misleadingly is in line with the insurance company's obligation to provide services and information to policyholders as stipulated in the Insurance Law (Law Number 40 of 2014). The fulfillment of the information obligation is an important part of assessing whether the restructuring process has been carried out transparently and in accordance with the principles of good faith.

From the perspective of the principle of good faith, the consent of the policyholder is one of the important indicators in assessing the restructuring process, but it cannot be positioned as the only parameter for the fulfillment of contractual rights. The juridical force of the agreement needs to be seen in the light of the underlying process, especially whether the policyholder has obtained adequate, clear, and understandable information about the changes and consequences arising from the restructuring. If the approval is given based on inadequate or misleading information, a high percentage of approval cannot necessarily be used as a basis for stating that the restructuring process has fulfilled the principle of good faith and provides adequate protection for the contractual rights of the policyholder.

Position of Policyholders Who Do Not Approve Restructuring

The fulfillment of contractual rights in settling Jiwasraya's obligations also needs to be reviewed from the position of policyholders who do not agree to the restructuring scheme. Based on OJK information, although around 99.7% of policyholders have accepted the restructuring scheme, there are still policyholders who do not approve the restructuring or transfer of policies to IFG Life (Otoritas Jasa Keuangan, 2024b). The existence of this group shows that the quantitatively dominant level of revenue does not necessarily eliminate the interests and legal rights of policyholders who choose not to follow the settlement mechanism. Therefore, the position of policyholders who do not agree to the restructuring still needs to be considered in assessing the extent to which Jiwasraya's obligation settlement mechanism has provided protection for the contractual rights of all policyholders.

From the perspective of legal protection, policyholders who do not agree to the restructuring still have legal interests that need to be considered in the process of settling Jiwasraya's obligations. Therefore, the settlement mechanism needs to still provide space for policyholders to raise objections and use available legal remedies in accordance with the provisions of laws and regulations. This approach is in line with the principle of good faith which requires that the interests and legal rights of the parties remain respected, including when there is a difference of will in determining the mechanism for settling obligations.

The OJK's stance in dealing with policyholders who do not agree to the restructuring shows that there are efforts to continue to accommodate the interests of the group in the process of settling Jiwasraya's obligations. In a press release dated August 21, 2024, the OJK said that it had facilitated a meeting between Jiwasraya management and representatives of policyholders who rejected the restructuring and transfer of policies to IFG Life. In addition, OJK stated that it respects the legal process taken by policyholders who do not agree to the settlement scheme (Otoritas Jasa Keuangan, 2024b).

This condition shows that the fulfillment of contractual rights cannot be solely assessed based on the interests of the majority of policyholders who accept the settlement scheme. The application of the principle of good faith requires a balance between the need to resolve obligations collectively and respect for the individual rights and interests of policyholders who have different choices. Within this framework, the availability of mechanisms to raise objections and obtain access to settlement efforts through legal channels is one of the relevant aspects in assessing the quality of protection of policyholders' contractual rights.

Analysis of the Fulfillment of Contractual Rights Based on the Principle of Good Faith

Based on the previous description, the fulfillment of the contractual rights of policyholders in settling the obligations of PT Asuransi Jiwasraya (Persero) needs to be assessed through a number of interrelated parameters, including the certainty of contractual rights, openness and adequacy of information, the quality of consent, the propriety of changes in contractual relationships, the balance of interests of the parties, and the availability of legal protection for policyholders. All of these parameters are the embodiment of the principle of good faith which in this study is placed as a normative parameter to assess not only the results of the settlement of obligations, but also the process taken by the company in fulfilling the contractual rights of policyholders.

First, from the aspect of certainty of contractual rights, the rights of policyholders are derived from insurance agreements that have been legally established and therefore have binding power for the parties as affirmed in Article 1338 paragraph (1) of the Civil Code. On the basis of this binding power, the restructuring and transfer of the policy cannot be understood solely as an act that removes the contractual rights of the policyholder. These two mechanisms are essentially instruments for the settlement of corporate obligations whose implementation must still take into account the rights that have been born from the contractual relationship. Any change to the rights and obligations of policyholders therefore needs to have a clear basis and can be accounted for based on the applicable legal provisions (Civil Code, Article 1338(1) and (3)).

Second, from the aspect of information disclosure, the fulfillment of contractual rights needs to be supported by the delivery of true, clear, adequate, and non-misleading information to policyholders. This aspect becomes increasingly important in the restructuring process because policyholders are faced with choices that can have consequences for their rights and obligations in their contractual relationships. The information submitted therefore needs to include relevant matters to enable policyholders to understand the changes and legal and economic consequences of the scheme offered. In this framework, the delivery of information is not solely an administrative obligation of the company, but is a substantive part of the application of the principle of good faith in the process of settling obligations.

Third, from the approval aspect, the acceptance rate of 99.7% indicates that the restructuring scheme has received approval from the majority of policyholders (Otoritas Jasa Keuangan, 2024a). However, this percentage basically only describes the acceptance rate quantitatively and does not by itself prove that all contractual rights have been fulfilled. In assessing the quality of approval, it is necessary to consider whether the policyholder's wishes are given consciously and based on adequate information regarding changes and legal and economic consequences arising from restructuring. Therefore, the existence of approval needs to be assessed not only from the number of policyholders who approve it, but also from the process that preceded the formation of the agreement.

Fourth, from the aspect of propriety and balance of interests, the settlement of obligations needs to consider the position and interests of both parties, namely the company's ability to fulfill its obligations on the one hand and the right of policyholders to obtain the fulfillment of contractual rights on the other. The company's financial condition can be one of the relevant factors in determining the form of settlement of obligations, but this situation does not in itself justify the disproportionate imposition of consequences on policyholders. From the perspective of the principle of good faith, the settlement mechanism needs to be designed and implemented appropriately by taking into account the company's legal and financial conditions while ensuring that the interests and contractual rights of policyholders continue to receive proper protection.

Fifth, from the aspect of legal protection, policyholders who do not agree to the restructuring still need to have the space to raise objections and use the available legal mechanisms in accordance with applicable regulations. The OJK's facilitation of meetings between Jiwasraya management and representatives of policyholders who reject the restructuring, as well as the OJK's attitude of respecting the legal process taken by the group, shows that there are efforts to accommodate the interests of policyholders outside the majority group (Otoritas Jasa Keuangan, 2024b). This condition is one of the indicators that the settlement of obligations needs to continue to pay attention to the rights and interests of individual policyholders, including for those who do not choose the restructuring mechanism offered.

Sixth, the fulfillment of policyholders' contractual rights needs to be analyzed by taking into account the development of the legal status of PT Asuransi Jiwasraya (Persero). This development became relevant after the OJK through the Decree of the Member of the Board of Commissioners Number KEP-9/D.05/2025 dated January 16, 2025 revoked Jiwasraya's business license in the field of life insurance. OJK explained that the revocation of the business license is part of a supervisory action in order to protect the interests of policyholders and/or insureds and results in Jiwasraya no longer being allowed to carry out business activities in the field of life insurance (Otoritas Jasa Keuangan, 2025). The revocation of the license changes the legal context of the settlement of the company's obligations, so that the fulfillment of the contractual rights of the policyholder is no longer sufficiently analyzed based on the restructuring and transfer of the policy that has been carried out previously, but also needs to consider the legal consequences of the revocation of the business license and the mechanism for settling obligations that apply afterwards.

Based on all these parameters, the restructuring and transfer of policies to IFG Life can be understood as a settlement mechanism aimed at maintaining the sustainability of the fulfillment of policyholders' rights in the condition that Jiwasraya faces financial problems. However, the existence and implementation of these mechanisms does not necessarily indicate that all contractual rights of policyholders have been substantively fulfilled. Assessment of the fulfillment of rights still needs to pay attention to certainty regarding rights and obligations, information disclosure, quality of consent, propriety and balance in changes in contractual relationships, as well as legal protection for policyholders who do not agree to restructuring. OJK notes that most policyholders have accepted the restructuring scheme and their policies have been transferred to IFG

Life, while the interests and legal processes taken by policyholders who do not agree to the scheme remain part of Jiwasraya's series of settlement obligations (Otoritas Jasa Keuangan, 2024b).

The fulfillment of the contractual rights of policyholders in the settlement of Jiwasraya's obligations needs to be differentiated between procedural and substantive aspects. From a procedural point of view, restructuring, policyholder approval, transfer of policies to IFG Life, and facilitation of policyholders who do not agree to the scheme indicate that there is an institutional mechanism taken to resolve the company's problems. However, the existence of these mechanisms is not enough to determine the substantive fulfillment of rights. Substantive assessments need to be directed at the extent to which the rights originally born from the agreement are maintained or settled appropriately, whether changes in contractual relationships are based on qualified consent, and whether policyholders obtain adequate information and legal protection.

In this context, the principle of good faith serves as a normative parameter to assess the entire process of settling obligations, not solely as moral demands in contractual relationships. Its application includes an assessment of the provision of information, the restructuring process, the granting of approval, the transfer of policies, the handling of objections, and the settlement of the rights of policyholders after the revocation of the business license. The assessment needs to be carried out by paying attention to openness, honesty, propriety, balance of interests, and respect for the contractual rights of policyholders.

Based on this framework, the fulfillment of policyholders' contractual rights is inappropriate if it is only measured by the number of policies that have been restructured or transferred to IFG Life. A more comprehensive measure lies in the ability of the settlement mechanism to provide certainty regarding the rights of policyholders, ensure the delivery of transparent and adequate information, obtain informed consent, implement changes in contractual relationships appropriately and proportionately, and provide legal protection for policyholders who still have objections or demands against the company.

In the end, the restructuring and transfer of Jiwasraya's policy to IFG Life is part of the company's obligation settlement mechanism, but it cannot be used as the only basis to declare that all of the policyholder's contractual rights have been fulfilled. The fulfillment of these rights needs to be assessed comprehensively by considering the substance of the right, the settlement process, the disclosure of information, the quality of the agreement, the propriety of changing the contractual relationship, the balance of interests, and the legal protection available to policyholders. In this framework, the principle of good faith is a parameter to assess whether the settlement of obligations not only meets the procedural aspects, but is also able to provide the fulfillment of contractual rights in a proper, transparent, proportionate, and legally accountable manner.

Application of the Principle of Good Faith in the Settlement of PT Asuransi Jiwasraya's (Persero) Obligations to the Fulfillment of Policyholders' Rights

The settlement of PT Asuransi Jiwasraya's (Persero) obligations to policyholders needs to be placed within the framework of the principle of good faith as one of the fundamental foundations in contract law. The legal relationship formed through an insurance agreement gives birth to reciprocal rights and obligations, so that the implementation and settlement of the obligations of the parties must still pay attention to each other's legal interests. Policyholders are obliged to fulfill the agreed achievements, especially premium payments, while insurance companies are obliged to provide protection and fulfill insurance benefits in accordance with the provisions of the policy. When the company experiences financial difficulties that hinder the fulfillment of its obligations, these issues do not eliminate the need to respect the rights that have arisen from the contractual relationship. Therefore, the principle of good faith is relevant to assess whether the settlement steps taken by Jiwasraya have been implemented appropriately, transparently, and still provide adequate protection for the rights of policyholders.

Normatively, the obligation to execute the agreement in good faith is affirmed in Article 1338 paragraph (3) of the Civil Code (Civil Code). This provision shows that the implementation of the agreement is not solely determined by formal compliance with the content of the contract, but must also pay attention to propriety and fairness in the relationship between the parties. In this framework, the principle of good faith serves as a basis to direct the parties to exercise their rights and obligations properly, while preventing the unreasonable use of contractual circumstances and provisions that may be detrimental to the other party (Civil Code, Article 1338(3)).

In the context of an insurance agreement, the application of the principle of good faith acquires a more specific character through the doctrine of utmost good faith. This specificity is related to the characteristics of insurance agreements which are highly dependent on information about the risks and conditions of the object of coverage that are the basis for the parties in forming and implementing contractual relationships. Recent insurance-law scholarship places openness and honesty at the center of utmost good faith, requiring the parties to communicate material information that can affect coverage (Pradana, 2021). On the basis of this understanding, the principle of good faith in this study is placed in two complementary dimensions, namely as a general principle in contract law and as a principle that has a special character in insurance relations through the doctrine of utmost good faith.

These two dimensions become increasingly relevant when the insurance company faces a condition of default or inability to fulfill its contractual obligations. In these circumstances, the company's obligations do not stop at trying to find a settlement mechanism for unfulfilled obligations, but also include the need to carry out the settlement process while respecting the interests and legal rights of policyholders. In this framework, the principle of good faith can be used as a parameter to assess whether the action and process of settlement of obligations has been carried out in an honest, transparent, appropriate, and proportionate manner, including in the event that there are changes to the contractual relationship that has been formed.

These obligations have a more specific basis in insurance law. Article 31 of Law Number 40 of 2014 concerning Insurance regulates the obligation of parties involved in insurance activities to apply expertise, care, and diligence in providing services or conducting transactions with policyholders, insureds, or participants. These provisions are also the basis for regulations regarding standards of business conduct and protection of policyholders (Law Number 40 of 2014). The strengthening of this aspect is further reflected in Financial Services Authority Regulation Number 22 of 2023 concerning the Protection of Consumers and the Community in the Financial Services Sector, which regulates, among other things, the principles of consumer protection, the provision and delivery of information, the preparation of agreements, services, complaint handling, and dispute resolution (Otoritas Jasa Keuangan, 2023).

Departing from this normative framework, the application of the principle of good faith in the settlement of Jiwasraya's obligations can be analyzed through a number of aspects related to each other, including information disclosure, respect for the contractual rights of policyholders, quality of consent in restructuring, propriety in changes in contractual relationships, sustainability of policy benefits, and respect for the rights of policyholders who do not agree to the settlement mechanism. These aspects are relevant because the settlement of company obligations is not only related to efforts to overcome the company's financial condition, but also concerns how the rights that have been born from the insurance agreement still receive protection in every stage of settlement.

Restructuring and Transfer of Policies as a Form of Settlement of Obligations

In settling PT Asuransi Jiwasraya's (Persero) obligations to policyholders, policy restructuring followed by the transfer of policies to PT Asuransi Jiwa IFG (IFG Life) is one of the main mechanisms taken. The Financial Services Authority (OJK) in a press release dated August 19, 2024 said that, based on information from Jiwasraya management, around 99.7 percent of policyholders have approved the restructuring scheme and their policies have been transferred to IFG Life. OJK also explained that IFG Life will continue to cover ex-Jiwasraya policyholders through products tailored to the company's conditions (Otoritas Jasa Keuangan, 2024a).

From the perspective of contract law, restructuring can be understood as a settlement mechanism aimed at maintaining the sustainability of the fulfillment of policyholders' rights in the event that the company faces limitations in carrying out its obligations as originally agreed. Therefore, restructuring cannot necessarily be understood as the elimination of policyholders' contractual rights. The mechanism is more appropriately placed as a form of change or adjustment to the contractual relationship whose legal consequences need to be assessed based on the rights and obligations of the parties and the applicable legal provisions.

However, the existence of restructuring and policy transfer does not by itself indicate that the principle of good faith has been adequately applied. The assessment needs to be directed at the process of implementing the restructuring, including the openness and adequacy of the information provided to policyholders, the process and quality of the approval obtained, and the consequences of the change on contractual rights and obligations. Therefore, the application of the principle of good faith needs to be tested simultaneously from procedural and substantive aspects, so that it can be known whether the settlement mechanism taken really provides appropriate protection for the rights of policyholders.

From the perspective of the principle of good faith, the implementation of restructuring has stronger legitimacy if policyholders obtain adequate information about the reasons and objectives of the restructuring, the form of change offered, the consequences for the benefits of the policy, the mechanism for fulfilling obligations, and the legal position of the policyholder after the transfer. This obligation is in line with the principle of consumer protection in POJK Number 22 of 2023 which requires financial services business actors to provide and convey information that is clear, accurate, correct, easily accessible, and not misleading to consumers (Otoritas Jasa Keuangan, 2023).

Within this framework, the application of the principle of good faith in restructuring can be judged not only from the success of obtaining the consent of the policyholder, but also from the quality of the process that preceded the formation of the agreement. Approval has a stronger basis if it is given after the policyholder has obtained adequate information and can understand the legal and economic consequences of the change in the contractual relationship offered. Information disclosure is therefore an important element in ensuring that the policyholder's decision is actually given consciously and based on an adequate understanding of the settlement scheme offered.

Policyholder Consent and Quality of Will in Restructuring

Policyholder consent is an important aspect in assessing the application of the principle of good faith, especially when restructuring brings changes to the contractual relationship that has been formed. In agreement law, agreement is one of the conditions for the validity of the agreement as stipulated in Article 1320 of the Civil Code, while Article 1338 paragraph (1) of the Civil Code affirms the binding power of a legally made agreement (Civil Code, Articles 1320 and 1338). This provision shows that the will of the parties has an important position in the formation or change of contractual relationships.

In the case of Jiwasraya, the approval rate of around 99.7 percent in August 2024 indicates that the restructuring scheme gained acceptance from most policyholders and was then followed by the transfer of the policy to IFG Life (Otoritas Jasa Keuangan, 2024a). This fact can be an indicator of acceptance of the settlement mechanism offered, but it cannot be used as the sole basis for concluding that all contractual rights have been fulfilled or that the application of the principle of good faith has been adequately implemented.

The assessment needs to consider the difference between the number of approvals and the quality of the will behind them. Quantitatively, the number of approvals describes the level of acceptance of a scheme, while qualitatively, approval needs to be seen from the process that precedes it. Policyholders need to have a reasonable opportunity to know, consider, and understand the changes to the legal relationship that will arise before making a choice. In the context of restructuring, this includes an understanding of changes in benefits, the value of liabilities, payment mechanisms, and the legal consequences of policy transfers.

On that basis, the principle of good faith can be used as a parameter to assess whether the policyholder's consent is given consciously and on the basis of adequate information. If information on the substance of the change and the consequences of the restructuring is conveyed in a clear, complete, and non-misleading manner, and the policyholder is given a reasonable opportunity to make his or her choice, the process has a stronger basis for assessing in accordance with the principle of good faith.

Conversely, if consent is given in conditions where the relevant information is not adequately conveyed or the consequences of the restructuring cannot be adequately understood by the policyholder, then the quality of the application of the principle of good faith is still normatively questionable. Consent in a contractual relationship is therefore not sufficiently judged from its formal existence, but also from the process that constitutes the will. The assessment of good faith ultimately includes whether the policyholder has obtained sufficient conditions to give consent consciously, freely, and based on a sufficient understanding of the consequences of changing the contractual relationship.

Information Transparency as a Manifestation of the Principle of Good Faith

Information disclosure has an important position in insurance legal relations because there is an imbalance of knowledge and information between insurance companies and policyholders. This inequality becomes even more relevant when companies face defaults, because information about the company's condition, the basis and purpose of the settlement mechanism, as well as the legal and economic consequences of the options offered can affect the ability of policyholders to determine their attitude towards the settlement of their obligations.

Within the framework of the principle of good faith, transparency cannot be positioned solely as an administrative obligation to deliver notice. Information disclosure is part of the substantive obligation to respect the interests of other parties in the contractual relationship. It is also in line with the special character of insurance relationships through the principle of utmost good faith, which places openness and honesty as important elements in the relationship between insurers and policyholders (Mulhadi & Harianto, 2022; Tresnoputri & Djajaputra, 2023). Thus, the information conveyed must allow the policyholder to gain an adequate understanding of the circumstances and legal consequences of the action to be taken.

The framework is strengthened by POJK Number 22 of 2023 which regulates consumer protection in various stages of financial services business activities, ranging from product design, provision and delivery of information, marketing, agreement drafting, service provision, to complaint handling and dispute resolution (Otoritas Jasa Keuangan, 2023). Therefore, in the context of the Jiwasraya settlement, the obligation of transparency needs to be understood as part of the overall process of protecting policyholders, not just an obligation to notify the existence or implementation of the restructuring program.

Based on this framework, the application of the principle of good faith can be considered stronger if information regarding restructuring is conveyed in a complete, clear, accurate, and non-misleading manner, including information regarding changes in policyholders' rights and obligations, benefits received, mechanism for fulfilling obligations, and consequences of policy transfer to IFG Life. On the other hand, if material information is not adequately conveyed or conveyed in a manner that has the potential to cause misunderstanding about the consequences of restructuring, this situation can be an indicator that the application of the principle of good faith has not been carried out optimally. Thus, information transparency is one of the important measures to assess whether policyholders' approval of restructuring is truly born from a proper decision-making process and based on adequate understanding.

Protection of Policyholders Who Do Not Agree to Restructuring

The application of the principle of good faith also needs to be assessed from how policyholders who do not approve the restructuring are treated in the entire process of settling Jiwasraya's obligations. OJK said that in August 2024 there are still around 0.3 percent of policyholders who have not approved the restructuring scheme. OJK also stated that for policyholders who do not approve the restructuring and undergo legal processes, the process will still be respected and followed up in accordance with the provisions of laws and regulations (Otoritas Jasa Keuangan, 2024b).

The existence of such groups shows that the success of restructuring cannot be measured solely based on the level of majority approval of policyholders. From the perspective of agreement law, each policyholder has a legal relationship that gives rise to rights and obligations that need to be considered in accordance with his or her legal position. Therefore, the acceptance of a settlement mechanism by most policyholders does not automatically remove or override the legal interests of the party who chooses not to approve the change in the contractual relationship.

From the perspective of the principle of good faith, respect for policyholders who do not agree to restructuring is part of the obligation to take into account the interests of the other party in the contractual relationship. A settlement carried out in good faith does not require uniformity of will for all policyholders, but requires the availability of an appropriate mechanism for the objecting party to express an opinion, obtain relevant information, and use the legal means available. Thus, differences in will should not be seen as a mere obstacle, but rather as a situation that needs to be accommodated within the framework of the protection of contractual rights.

On that basis, the application of the principle of good faith in settling Jiwasraya's obligations cannot stop at the success of restructuring for the majority of policyholders, but must also pay attention to the position and legal protection for policyholders who do not agree to the mechanism. The availability of space to raise objections and obtain a settlement through legal mechanisms is an important part in assessing the propriety of the settlement process. This is necessary so that the settlement mechanism does not unilaterally transfer the consequences of the company's failure to policyholders, especially parties who do not agree to changes to their contractual relationships.Procedural and Substantive Dimensions in the Application of the Principle of Good Faith

To assess the application of the principle of good faith in the settlement of Jiwasraya's obligations, the analysis can be carried out through two complementary dimensions, namely the procedural dimension and the substantive dimension. The procedural dimension focuses on the process taken in the settlement of obligations, while the substantive dimension focuses on the results and legal consequences received by the policyholder. This distinction is necessary so that the assessment of good faith does not stop at the fulfillment of formal procedures, but also considers the extent to which the settlement results provide protection for the contractual rights of policyholders.

In the procedural dimension, relevant indicators include openness and adequacy of information, clarity on the reasons and mechanisms for the restructuring, a reasonable opportunity for policyholders to understand the consequences of changes in contractual relationships, the availability of accountable options, and respect for the policyholder's right to accept or reject the mechanisms offered. These parameters are in line with the consumer protection framework in the financial services sector that places the provision of information, the behavior of financial services business actors, the fulfillment of consumer rights, complaint handling, and dispute resolution as part of consumer protection (Otoritas Jasa Keuangan, 2023).

Meanwhile, the substantive dimension relates to the extent to which the settlement mechanism provides adequate protection for the policyholder's contractual rights. The assessment in this dimension includes the substance of the change in benefits, the mechanism and certainty of the fulfillment of obligations, the sustainability of protection after the transfer of the policy, and the balance between the need to resolve the company's condition and the interests of the policyholder as a party entitled under the insurance agreement.

The distinction between the two dimensions is important because the fulfillment of procedural aspects does not in itself indicate the substantive fulfillment of policyholders' rights. A mechanism may satisfy certain procedures, for example by giving policyholders the opportunity to approve or reject restructuring, but it still needs to be assessed on the basis of the legal and economic consequences arising from such choices. Therefore, the existence of an agreement does not eliminate the need to test whether changes in contractual relationships and settlement results still provide appropriate and proportionate protection for policyholders' rights.

In the context of Jiwasraya, the restructuring and transfer of the policy to IFG Life can be understood as a settlement effort directed at maintaining the sustainability of the fulfillment of policyholders' rights in the condition that the company is unable to fulfill its obligations normally. However, normatively, the existence of such a mechanism is not enough to conclude that all contractual rights of policyholders have been fulfilled perfectly. An assessment based on the principle of good faith must be carried out on the entire settlement process and outcome, starting from the provision of information and the formation of approval, the implementation of policy restructuring and transfer, to the protection of policyholders who do not agree to the mechanism. With such an approach, the principle of good faith serves as a parameter to assess whether the settlement of Jiwasraya's obligations has been carried out in a transparent, appropriate, proportionate manner, and still respects the contractual rights of policyholders.

Good Faith as the Normative Standard for Rights Fulfillment

To assess the fulfillment of the policyholder's contractual rights in settling Jiwasraya's obligations, the principle of good faith can be constructed through several interrelated parameters. First, the certainty of contractual rights, namely that the settlement mechanism must still pay attention to the rights born from the policy and not unilaterally exclude them without a legal basis that can be accounted for. Second, information transparency, namely the delivery of true, clear, complete, and adequate information about the company's condition, settlement mechanism, and consequences arising for policyholders. Third, the quality of consent, namely that the policyholder's consent is given based on the will formed through adequate information and an understanding of the consequences of changes in contractual relationships. Fourth, propriety and proportionality, namely the balance between the need to resolve the company's condition and the interests of policyholders as parties with contractual rights. Fifth, access to legal protection, namely the availability of a reasonable mechanism for policyholders to express objections and maintain their rights if they do not agree to the settlement mechanism offered.

These five parameters show that the principle of good faith does not only function as an abstract norm, but can be constructed as a normative parameter to assess the quality of the settlement of insurance companies' obligations to policyholders. Through these parameters, the assessment is not only directed at the existence or absence of a settlement mechanism, but also at the process of its formation, implementation, and legal consequences caused to the contractual rights of policyholders. Thus, the principle of good faith can be used to test whether the settlement of obligations has been carried out in an honest, transparent, proper, proportionate manner, and still respects the legal position of the policyholder.

The development of the Jiwasraya case after the implementation of the restructuring and transfer of the policy further strengthens the importance of using these parameters. The OJK through the Decree of the Member of the Board of Commissioners Number KEP-9/D.05/2025 dated January 16, 2025 revoked Jiwasraya's business license in the field of life insurance. The revocation is part of the OJK's supervision actions in order to protect the interests of policyholders and/or insured (Otoritas Jasa Keuangan, 2025). With the revocation of the business license, the issue of settling Jiwasraya's obligations has a new legal context and is no longer only related to the restructuring and transfer of policies, but also to the stages of company settlement in accordance with the applicable legal regime.

These developments show that the principle of good faith needs to be understood as a principle that applies in a sustainable manner as long as there are still rights and interests of policyholders that must be resolved. Its application does not stop at the stage of forming an agreement or implementing restructuring, but remains relevant in every stage of settling the company's obligations, including after the revocation of the business license. Therefore, information disclosure, propriety, balance of interests, certainty of rights, and the availability of legal protection for policyholders remain aspects that need to be considered in assessing whether the entire process of settling Jiwasraya's obligations has reflected the principle of good faith.

Thus, the results of the study show that the principle of good faith in settling PT Asuransi Jiwasraya's (Persero) obligations to policyholders serves as a parameter to assess both the process and the substance of the fulfillment of contractual rights. The restructuring and transfer of the policy to IFG Life can be seen as a settlement instrument directed to maintain the sustainability of the fulfillment of the rights of policyholders. However, juridically, the existence of these instruments does not in itself prove that all contractual rights of the policyholders have been fulfilled.

The fulfillment of policyholders' rights must therefore be assessed from the overall quality of both process and outcome: whether information was transparent and adequate, whether consent was meaningfully informed, whether contractual changes were proportionate, whether promised benefits remained legally certain and continuous, and whether policyholders retained effective access to legal protection. This framework prevents a high administrative participation rate from being treated as a substitute for legal analysis of substantive rights.

In the end, the application of the principle of good faith in the Jiwasraya case shows that the settlement of insurance company obligations cannot be solely oriented towards resolving the company's financial problems. The settlement must simultaneously maintain the certainty and balance of the contractual relationship and provide proper protection to the policyholder. The more transparent the settlement process, the more adequate the information provided, the clearer the policyholder's will in making choices, and the more proportionate the consequences received, the stronger the normative basis for assessing that the settlement of the obligation has reflected the principle of good faith.

Conclusions

This doctrinal analysis answers the first research question by showing that policyholders' contractual rights remain legally relevant throughout all stages of Jiwasraya's settlement. Restructuring and transfer to IFG Life may function as instruments for maintaining coverage and resolving corporate obligations, but neither event, by itself, proves substantive fulfillment of every right created by the original insurance relationship. The post-license-revocation stage likewise confirms that unresolved policyholder interests and settlement duties do not disappear when the insurer ceases business operations. Regarding the second research question, good faith is legally useful when operationalized through five connected parameters: contractual certainty and continuity of benefits; transparency and adequacy of information; meaningful consent; proportionality and balance of interests; and continued access to legal protection and remedies. On this framework, the 99.7% restructuring approval reported by OJK is evidence of aggregate acceptance, not a construct-valid measure of informed consent or complete contractual performance. A legally adequate settlement must therefore be judged from the quality of both the process and the substantive position ultimately received by policyholders. The study's principal contribution is a replicable normative framework that separates administrative completion from juridical fulfillment. It permits restructuring to be recognized as a legitimate response to financial distress while preserving the requirement that contractual modifications be transparent, proportionate, and legally contestable. In practical terms, regulators and insurers should document the information provided to policyholders, the basis and consequences of consent, continuity of benefits, treatment of dissenting policyholders, and available remedial pathways so that compliance can be evaluated against the same criteria. Study limitations. This is a single-case doctrinal study based on publicly accessible legal and official materials. It does not include interviews with policyholders, individual policy files, claimant-level payment records, internal negotiation documents, or direct evidence of what each policyholder understood when accepting or rejecting restructuring. Consequently, the study cannot determine the subjective voluntariness of individual consent or quantify how many policyholders ultimately received every original contractual benefit. Its conclusions are analytically transferable as legal reasoning, but they are not statistically generalizable. Future research should test the five-parameter framework empirically using claimant-level data and interviews and compare Jiwasraya with other insurer failures or restructurings. Such work would complement, rather than replace, the doctrinal finding that good faith requires more than a formally available settlement mechanism or a high aggregate approval rate.

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