

Settlement of Default Due to Loss of Collateral: A Case Study of PT. Federal International Finance (FIF Group)

Ferdiansyah Putra Manggala¹, Dyah Ochtorina Susanti², Nima Norouzi³

¹Universitas Jember, Indonesia

²Universitas Jember, Indonesia

³University Tehran, Iran

*Corresponding Author: ferdiansyahputramanggala@unej.ac.id

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Abstract

The rapid growth of human needs, driven by advances in science and technology, has given rise to various purchasing methods such as buying, renting, and borrowing. Among secondary needs, personal vehicles, especially motorcycles, play an important role in daily mobility. The normative method is used to examine the legal issues raised by the researcher, using a conceptual approach along with a legal approach. To support economic growth in Indonesia, financial institutions, including banks and non-banks, have emerged as intermediaries that provide funds to improve the living standards of citizens. PT. Federal International Finance (FIFGROUP), a financing company, offers motorcycle financing with insurance coverage from PT. Astra Honda Motor, which includes a Total Loss Only (TLO) policy, protects against theft, accidents, and loss. Regulations such as Minister of Finance Regulation No. 130/PMK. 010/2012 mandates the registration of fiduciary guarantees for motor vehicle financing. While various insurance policies are available including life, health, and vehicle insurance, problems may arise, such as cases where customers face low compensation claims after a motorcycle theft. The laws and regulations under the Civil Code stipulate that the obligation to return financing can be removed if the collateral is lost without fault. Therefore, if the motorcycle is lost and not due to the debtor's fault, then the financing agreement can be considered null and void and the debtor is free from further payment obligations. Insurance liability includes compensatory measures to ensure claims are processed fairly, but certain provisions may not apply uniformly. The insurer's obligation is to provide compensation after assessing the event that caused the loss, ensuring that the contractual obligation is fulfilled within the stipulated time frame, thus protecting the rights of consumers in unexpected circumstances.

1. Introduction

The rapid development of human needs is increasing along with the development and advancement of science and technology. Humans have a way of meeting their needs by buying and selling, renting and buying, renting, and so on. Every human being needs money to meet primary, secondary, and tertiary needs. One of the secondary needs is that personal vehicles are needed as human mobility that has a supporting role for all daily human activities. Economic growth in Indonesia requires a means of providing funds for the community to improve the development of living standards, and in Indonesia bank and non-bank financial institutions have emerged as intermediaries in the community to bridge the two parties.¹

¹ Ni Kadek Diah Feryantini, Komang Febrinayanti Dantes, and Muhamad Jodi Setianto, "Juridical Study of The Implementation of Fiduciary Guarantees According to Fiduciary Law Number 42 Of 1999," *Journal of the Justician Community* 5, no. 1 (March 30, 2022): 220-29, <https://doi.org/10.23887/jatayu.v5i1.45944>.

Flexible funders by distributing funds to those in need is the task of the Financing Institution. The Insured's financing transaction is able to accommodate problems in the community that cannot be solved through the type of financing from the Bank.

Various facilities that can be taken by the community to meet secondary needs in the form of motorcycles by getting facilities offered by the Financing Company. Federal International Finance (Federal International Finance) hereinafter abbreviated as FIFGROUP is one of the financing companies in Indonesia. FIFGROUP Financing Company provides insurance to PT. Astra Honda Motor is hereinafter abbreviated as AHM for every purchase of a credit motorcycle with insurance provided is TLO (*Total Loss Only*) which applies to the condition of motorcycles lost during idleness, confiscation, accidents, and theft.²

Article 1 of the Regulation of the Minister of Finance of the Republic of Indonesia Number 130/PMK.010/2012 concerning the Registration of Fiduciary Guarantees for Financing Companies for the Implementation of Consumer Financing for Motor Vehicles with Fiduciary Guarantee Burdens, hereinafter abbreviated as the Regulation of the Minister of Finance concerning the Registration of Fiduciary Guarantees for Financing Companies for the Implementation of Insured Financing for Motor Vehicles with Fiduciary Guarantees, explains that it is mandatory to register fiduciary guarantees with the Registration Office Fiduciary Financing Companies that finance the Insured's motor vehicles by charging fiduciary guarantees on financing derived from joint financing or term financing based on sharia principles.³

The types of policies from insurance companies, namely life insurance, health insurance, travel insurance, home insurance, and vehicle insurance.⁴ A vehicle insurance policy is one of the insurances provided by an agreement between the Insurer and the Insured as insurance for damage, and other adverse events on a two-wheeled vehicle that is used as collateral. The Indonesian Motor Vehicle Insurance Standard Policy, hereinafter abbreviated as PSAKBI issued by the Indonesian General Insurance Association (AAUI), is used in Indonesia for motor vehicle coverage, and legal liability to third parties. The Insurer's guarantee for loss or damage to the motor vehicle is provided to the Insured under the policy, which is coverage for collisions, malicious acts, falls, theft, collisions, overturns, slips preceded or followed by acts of violence, fire, wheel damage due to accidents, and costs incurred in maintenance or transportation to the workshop.⁵

The researcher also has a *state of the art* in this study. In a previous study written by Muammar Zein and Nurhilimiyah with the research title Legal Protection of Damaged Pawn

² Reza Zulfikar, "Legal Protection of Fiduciary Guarantee Holders for the Confiscation of Collateral in Corruption Cases," *Ius Quia Iustum Legal Journal* 29, no. 1 (January 1, 2022): 47-67, <https://doi.org/10.20885/iustum.vol29.iss1.art3>.

³ Ita Ita, Ayu Trisna Dewi, and Rina Melati Sitompul, "Legal Protection of Collateral Guarantees in Working Capital Credit Agreements (KMK) (Case Study of Decision No.466/Pdt.G/2020/PT.Mdn)," *Legal Journal* 3, no. 1 (August 30, 2022): 42-56, <https://doi.org/10.46576/lj.v3i1.2296>.

⁴ Fransiska Imelda and Arsin Lukman, "Legal Consequences of Fiduciary Guarantee Deeds Made Under Hand in Motorcycle Loans," *Journal of Supremacy*, February 28, 2023, 54-62, <https://doi.org/10.35457/supremasi.v13i1.1990>.

⁵ Amaliasyifa Agustina and Suwaebatul Aslamiyah, "Legal Protection and Settlement of Fiduciary Guarantees for Injured Debtors during the Covid-19 Pandemic," *YUSTISIA MERDEKA: Scientific Journal of Law* 8, no. 1 (April 9, 2022): 87-94, <https://doi.org/10.33319/yume.v8i1.123>.

Collateral published in the journal *Eduyustitia*. However, the study emphasizes legal protection for collateral that has been damaged.⁶ A similar study was subsequently written by Afdela Yunita entitled *Execution of Pawns on Guarantee Objects, Which Do Not Belong to Pawnshops at PT*. This research focuses on the process of implementing collateral pledged at PT.⁷ The third research that has similarities with this research was written by Kistaya, Anastya Mottoh et al. This research was published in the *Journal of Unes Law Review* entitled *Dispute Resolution of Pawnshops Against Consumers for Damage to Pawn Guarantee Objects*. This research focuses on how dispute resolution efforts can be carried out by both parties in the event of a dispute over pawned goods that have been damaged while still under the responsibility of the pawn collateral.⁸

The problem arising from the loss of a motorcycle that is still in the credit process is an example of news on *lintas24news* that one of the Insured at FIF Group Jatiuwung Branch, namely Lilis Lisnawati, suffered losses due to loss and theft by getting compensation of only Rp.500,000,- Lilis has followed the insurance procedure completely and paid installments for six months. According to Lilis, the FIF Group is not responsible for the loss, does not accept the risk of losing goods and the calculations made by the FIF Group are unfair to the Insured. Loss of a motorcycle is regulated in Article 1381 of the Criminal Code, hereinafter abbreviated as the Criminal Code which explains that the cancellation of an engagement is caused by the destruction of the goods owed, and in Article 1444 of the Criminal Code explains that the cancellation of the agreement if the goods are destroyed or lost beyond the fault owed by being asked to prove the event of the loss of the motorcycle.⁹ Article 246 of the Criminal Code, hereinafter abbreviated as the Criminal Code, explains that insurance or insurance is an agreement that binds itself to the Insured by obtaining premiums to provide compensation due to damage, loss, or not getting the expected benefits that may be suffered from uncertain events. In addition, it is reaffirmed in Article 25 of Law Number 42 of 1999 concerning Fiduciary Guarantees, hereinafter abbreviated as the Fiduciary Guarantee Law, which explains that the abolition of Fiduciary Guarantees due to debts guaranteed by the fiduciary, the exemption of the right to Fiduciary Guarantees by the fiduciary, and its destruction from the object of the Fiduciary Guarantee do not eliminate insurance claims.

2. Methods

As a method/tool to find answers to the problems in this study, the method used in this study is normative juridical law research¹⁰. This is done in order to obtain relevant legal research results and in accordance with applicable legal rules. This is evident in the main objek studied in this study, namely the Civil Code (*Burgerlijk Wetboek*); 2. Law No. 42 of 1999 concerning Fiduciary Guarantees (Statute Book of the Republic of Indonesia No. 22 of 1999

⁶ Muammar Zein, "Legal Protection of Customers Pawning Damaged Pawns" 2 (2023).

⁷ Afdela Yunita, "Execution of Pawn Against Collateral Objects That Do Not Belong to Sipemberi Pawn at Pawnshops," January 6, 2020, <https://doi.org/10.5281/ZENODO.3598311>.

⁸ Kiscya Anastasya Mottoh, Rietha Lieke Lontoh, and Helena Benedicta Tambajong, "Dispute Resolution of Pawnshops Against Consumers for Damage to Pawn Guarantee Objects," *UNES Legal Review* 6, No. 2 (T.T.).

⁹ Fairuz Afra, Fransiska NG Purba, and Sabina Adilla, "Legal Analysis of the Guarantee Concept in the Settlement of Fiduciary Guarantee Credit Cases" 9, no. 1 (2022).

¹⁰ Dyah Ochtarina Susanti and A'an Efendi, *Legal Research* (Jakarta, 2018).

No. 22 of 1999 Supplement to Statute Book of the Republic of Indonesia No. 3889); 3. Law No. 40 of 2014 concerning Insurance (Statute Book of the Republic of Indonesia No. 40 of 2014 of 2014 Supplement to Statute Book of the Republic of Indonesia No. 5618); 4. Law Number 4 of 1996 concerning Dependent Rights.

The approaches used in this study are legal approaches and conceptual approaches. The legal approach is carried out by studying all laws and regulations in depth and carefully related to the legal issues being handled. To examine the legal consequences for creditors for the loss of objects that are still collateral, and the responsibilities of the parties provided by the insurance company for objects that are still in the form of fiduciary guarantees. Meanwhile, a conceptual approach is carried out when the researcher does not switch from the existing legal rules. This is done because there is no legal rule for the problem at hand. When using a conceptual approach, the researcher needs to refer to the legal principles that can be put forward in the view of a law scholar or legal doctrine. Examining the legal consequences that arise for creditors to lose objects that are still under fiduciary guarantees, and the liability of the insurer due to the loss of objects that are still under warranty.

3. Results and Discussion

3.1. Legal Consequences for Creditors for the Loss of Motorcycles Still in the Credit Process at PT. Federal International Finance (FIFGROUP)

Before entering the subject of research, the author explains that in civil law there are several research objects, including humanitarian law, material law, and contract law. Material law is inseparable from Book 2 of the Civil Code which contains norms regarding guarantees, both general guarantees and special guarantees. Guarantees in civil law are divided into 4 including pawn, fiduciary, dependent, and mortgage. Liens and fiduciaries are charged on movable objects, while mortgages and liens are charged on immovable objects, ships, and aircraft.

Pawn collateral can still be divided into conventional pawns and sharia pawns. The definition of pawn is the activity of debts and receivables by holding collateral given from the pawnshop to the pawnshop. This collateral can guarantee that the pawnshop will be able to pay off its debt or if the pawnshop is unable to pay it, the collateral will be auctioned to pay off the debt. This collateral also provides an element of trust from creditors to debtors. The goods remain the property of the debtor, but as long as the debt has not been paid off, it will remain or be controlled by the creditor.

The legal transaction of pawn according to Islam is called *al-Rahn* which comes from the word "rahana-yarhanu-rahnan" which means to stipulate something. *Ar-Rahn* is also called *al-tsubut wa al-dawam* which means fixed, eternal, sustainable, and guaranteed. *Rahn* which means holding goods that are used as collateral by the debtor when they are unable to pay the debt. In the contract of the pawn agreement or *rahn*, there are several pillars and conditions that must be applied so that the process of *this rahn* activity in Islam is said to be valid. *Rahn* as one of the contracts which is a *tabarru'* contract or assistance between *rahin* and *apostasy*.¹¹

¹¹ Zaki Fuad et al., "Considering Debt in the Perspective of Maqasid Al-Shariah: Masalah Versus Mafsadah," *PETITA: JOURNAL OF LEGAL AND SHARIA STUDIES* 9, no. 1 (January 29, 2024): 17–29, <https://doi.org/10.22373/petita.v9i1.243>.

There are various meanings *Rahn* is based on the views of scholars from the four schools, among others. *First* understanding *Rahn* According to the scholars of Shafi'iyah, namely: "Making *al-Ain* (goods) as *Squirt* (collateral) debt used by goods to pay off debts when *São Paulo* (the debtor) cannot pay his debt." *Second* understanding *Rahn* According to the scholars of Hanabilah, namely: "Treasures that are used as *Squirt* Debt to the party creates a debt that cannot be repaid, so that the debt is paid by using the price of the proceeds from the sale of the property used as a *Squirt* (guarantee)." *Third*, according to Malikiyyah scholars *Rahn* is "something that *Squirrel* (in the form of property and has value) taken from the owner to be used as a *Squirt* (collateral) from ordinary debt (its existence is positive and follows) or that will become commonplace." *Fourth* according to Hanafiah scholars *Rahn* is "to make something collateral and be able to pay the debt with collateral" It didn't happen."¹²

Meanwhile, conventional pawning is an effort to be able to obtain funds by providing valuable collateral to lenders or lenders. Conventional pawn laws have been regulated through several regulations. Based on the Civil Code (KUHP) article 1150, there are several elements of pawning, namely the rights obtained by creditors to collateral. Valuable collateral is handed over by the borrower to the creditor. The delivery of collateral is carried out as debt collateral. The creditor has the right to auction the collateral if the debtor fails to repay the loan funds. Payments should take precedence over other creditors.¹³ The auction fee and also the maintenance of the collateral must be paid off first from the auction results before the repayment of the receivables. Conventional pawning is in principle a debt and receivables activity that has a very high value and is carried out voluntarily based on assistance. From the implementation of the pawn itself which strictly determines the existence of pawn interest, that is, the existence of a certain amount of money or a certain percentage of the principal debt at the time of paying the debt. This will obviously be detrimental to the pawnshop because he has to add a certain amount of debt to pay off his debt.¹⁴ However, if this is not done, from a commercial point of view, the pawnshop will also feel disadvantaged, for example inflation or protracted repayments, while collateral does not sell.

Meanwhile, for other movable material guarantees, namely fiduciary guarantees, until now do not have a sharia concept. Fiduciary guarantees only have a conventional concept that is generally carried out by financing institutions such as Adira Finance, FIF Group and so on. Generally, fiduciary guarantees are carried out by two or more parties, namely the debtor and the creditor. Fiduciary Guarantee is regulated in Law Number 42 of 1999 concerning Fiduciary Guarantee. The legal relationship between creditors and debtors over fiduciary guarantees is bound by consumer financing agreements. The agreement regulates the rights and obligations that must be carried out by both parties in signing in accordance with the principles of *sun*

¹² Ending Solehudin and Hisam Ahyani, "Compliance with Sharia Economic Law in Halal Tourism Regulations," *PETITA: JOURNAL OF LEGAL AND SHARIA STUDIES* 9, no. 1 (January 29, 2024), <https://doi.org/10.22373/petita.v9i1.224>.

¹³ Hirsanuddin Hirsanuddin and Dwi Martini, "Principles of Good Corporate Governance in Islamic Banking: A Legal Perspective on the Integration of TARIF Values," *Journal of Indonesian Legal Studies* 8, no. 2 (November 14, 2023), <https://doi.org/10.15294/jils.v8i2.70784>.

¹⁴ Stefan Koos, "Civil, Legal and Extraterritorial Conflicts in the European Supply Chain Due Diligence Act," *Hasanuddin's Law Review* 10, no. 2 (June 19, 2024): 144, <https://doi.org/10.20956/halrev.v10i2.5535>.

servanda pacta. The principle reads that the agreement made by both parties is valid as law for the person who made it. If one of the parties to the agreement violates the content of the agreement, then that party can be said to be in default and has legal consequences. From the description above, these three things are collateral charged for moving objects such as motor vehicles and so on.

The legal relationship between creditors and debtors in consumer financing agreements with fiduciary guarantees is based on the principle of mutual binding through agreement or contract. A consumer financing agreement occurs when a creditor (a financing institution such as leasing or a bank) provides credit facilities to the debtor (consumer) to own an item, generally a motor vehicle, with a gradual payment. In this case, the financed vehicle becomes the object of a fiduciary guarantee, which is a tangible guarantee in which ownership is legally transferred to the creditor until the payment obligation is paid in full, but the goods remain in the debtor's possession for use. Through fiduciary guarantees, creditors obtain legal protection of their receivables with the right of direct execution in the event of default (breach of promise). This is regulated in Law Number 42 of 1999 concerning Fiduciary Guarantees, which gives executory power to fiduciary certificates. This means that if the debtor fails to fulfill its obligations, the creditor has the right to execute the fiduciary object without the need to go through a lawsuit process in court. However, the execution must still pay attention to the principles of prudence, proportionality, and good faith so as not to harm or embarrass the debtor.

On the other hand, the debtor has rights that are also protected by law, including the right to continue to use and control the collateral as long as the credit obligations are properly executed. The debtor is also entitled to clear and transparent information about the content of the agreement, its rights and obligations, as well as the settlement process in the event of a problem. If the vehicle is lost or completely damaged, the debtor has the right to file an insurance claim and get a fair settlement of the remaining credit obligations. In this context, the debtor is seen not only as a weaker party but also as a legal subject who has a moral and legal responsibility to fulfill the agreement. This legal relationship is reciprocal, where both parties must respect each other, maintain trust, and execute the agreement in accordance with the principle of good faith. Financing agreements with fiduciary guarantees are not only transactional, but also contain consumer protection aspects. Therefore, in the event of a dispute, the settlement must pay attention to the principles of justice, balance, and legal certainty so that the legal relationship between creditors and debtors is maintained and does not cause unilateral losses.

The relationship between the insured and the insurance company, that is, between the debtor and the insurance company, is regulated in an insurance contract that is reciprocal and binding on both parties. This insurance contract underlies an agreement in which the insurer (insurance company) promises to compensate the insured (debtor) in the event of certain pre-agreed risks, such as loss or damage to a motor vehicle. In return, the insured is obliged to pay premiums in accordance with the agreement that has been agreed upon by both parties. In its implementation, this relationship prioritizes the principle of good faith from both parties. The debtor is obliged to provide correct and transparent information about the insured object and submit a claim according to the procedures that have been established in the policy.

Meanwhile, the insurance company has an obligation to process and pay claims fairly and promptly if all requirements have been met and the claim is proven to be legitimate. Insurance policies serve as the main guideline in determining rights, obligations, limitations of coverage, and risk exclusions.

This legal relationship is very important in motor vehicle financing, especially when the vehicle is still fiduciary guaranteed. In the event of total loss or damage, insurance will provide financial protection for debtors and creditors (leasing). Indemnity money is usually used to pay off the remaining credit obligations, so as not to burden the debtor with debts that are impossible to pay after the collateral object is lost. Thus, an insurance contract acts as an instrument that guarantees legal certainty, consumer protection, and a balance of rights and obligations between the debtor and the insurance company. Legal consequences are consequences given by law to an event or action carried out by a legal subject. According to KBBI, consequences are defined as the result or completion of an event, condition, or circumstance that precedes it. Legal consequences are the impact caused by law on an event or action carried out by a legal subject. Consequences caused by legal events.

The subject of the study is classified as the scope of civil law, the legal results that will be discussed in this study are related to the civil (business) aspect. Vollmar and Sudikno Mertokusumo define civil law as a set of rules that protect the interests of individuals by establishing rights and obligations in family relationships, where the implementation of which is left to the parties involved.¹⁵ Civil rights include property rights, individual rights, material rights, family rights, and other related rights. However, in civil relations, obligations are divided into absolute, public, civil, positive, and negative obligations, as well as universal obligations. Absolute liability also includes obligations without a partner of rights such as obligations that are handled privately, obligations demanded by the general public, or obligations that relate to a higher authority and involve the rights of another party. There are rights and obligations in civil law that produce legal consequences which basically the law functions to protect and care for the public and private spheres, then legal consequences will arise if these rights and obligations are disturbed.¹⁶ Legal consequences arise because there are rights and obligations, and if disturbed, will encourage the emergence of legal effects. This happens because at its core, the law protects and protects society in both public and private law.

FIFGROUP is a conventional and sharia financing company that aims to meet the needs of Insured who want to buy various needs. FIFGROUP is a subsidiary of Astra International which is engaged in financing. One of the financing carried out by FIFGROUP is FIFASTRA to meet the needs of Insured who want to buy various needs in financing Honda motorcycles. FIFASTRA is a brand from FIFGROUP that is active in the field of Honda motorcycle financing based on the POJK Business Implementation from the Financing Company. The payment of

¹⁵ Fadillah Hanum and Ayu Trisna Dewi, "Legal Protection for Fiduciaries in the Implementation of Fiduciary Guarantees for Four-Wheeled Motor Vehicles (Study at BCA Multifinance Ringroad Medan)," *Legal Journal* 3, no. 1 (August 30, 2022): 27–41, <https://doi.org/10.46576/lj.v3i1.2295>.

¹⁶ Elisatin Ernawati and Ahmad Syaifudin, "The Existence of a Guarantee Law in the National Economic Recovery Program (PEN) During The Covid-19 Pandemic," *Journal of Law and Notaries* 5, no. 1 (February 7, 2021): 111, <https://doi.org/10.33474/hukeno.v5i1.10049>.

insurance premiums is based on the company's obligation to pay to the insured if the insured or policyholder suffers losses, lost profits, damages, incurred costs or possible legal liability to third parties due to an accident. Article 1 Paragraph 29 of the Insurance Law explains that the insurance premium is the amount determined to be paid by the insurance company or reinsurance company in accordance with the insurance contract or reinsurance agreement, or the amount determined to be paid by the insurance company or reinsurance company.¹⁷ The amount payable under an insurance or reinsurance contract or determined to be paid by the insurance or reinsurance company under an insurance or reinsurance contract. Article 1 number 20 of the Insurance Law states that the Insurance Fund is a collection of funds derived from premiums made to supplement obligations arising from the issued policy or from insurance claims.

The Insurance Law explains that the Insured who has lost his motorcycle and is still in the process of granting credit, refers to an agreement or contract as the basis for collecting insurance premiums. This premium is used to cover and indemnify the Insured for any damages, losses, loss of profits, costs incurred, or the legal liability of the policyholder in the event of an unforeseen event. Motorcycles that are still in the process of losing credit are not caused by personal error, so according to Indonesian law, there is a term for settlement of treaty obligations that refers to the elimination of an agreement or obligations arising from the agreement, caused by certain unforeseen events. Motorcycles that are lost due to factors beyond the Insured's control such as losses, damages, costs incurred, lost profits, then the existing credit agreement is considered to have been deleted.¹⁸ Article 1381 of the Civil Code explains that the cancellation of an agreement can be caused by payment, the offer of cash payment followed by storage or storage, the extension or fulfillment of debts or compensation, debt mixing, debt payments, debt destruction, cancellation or cancellation, the application of cancellation provisions, and the passage of time.

The loss of a motorcycle that is still in the process of credit as the object of the agreement makes the bond between the Insured and the Insurer cancelled or its obligations terminated. In accordance with Article 1381 of the Civil Code which states that the cancellation of an engagement is caused by the destruction of debt goods, namely motorcycles. This article indirectly explains the legal consequences for the Insured that the Insured does not have an obligation to pay off the lost motorcycle installments because the previous agreement was then canceled due to damage to the goods owed and the credit agreement was considered invalid, so that the Insured was exempted from related liabilities.¹⁹ Thus, Article 1381 of the Civil Code states that the loss of a motorcycle that is not caused by the Insured's fault can result in the cancellation of the credit agreement, so that the Insured no longer has the obligation to pay.

¹⁷ Master of Notary of the University of Padjadjaran et al., "The Function of Guarantees as a form of Relaxation in the Implementation of Fine Payments for Violations of Monopoly Practices and Unfair Business Competition," *Journal of Notary Law and PPAT Acta Diurnal* 6, no. 1 (December 30, 2022): 33-50, <https://doi.org/10.23920/acta.v6i1.1004>.

¹⁸ Gunawan A. Tauda, Andy Omara, and Gioia Arnone, "Cryptocurrency: Highlighting Approaches, Regulations, and Protection in Indonesia and the European Union," *BOARD* 11, no. 1 (August) (April 12, 2023): 1, <https://doi.org/10.20961/bestuur.v11i1.67125>.

¹⁹ Ikhsan Lubis et al., "Cyber Notary as a Means of Developing Indonesian Economic Law," *Sriwijaya Law Review* 7, no. 1 (January 26, 2023): 62, <https://doi.org/10.28946/slrev.Vol7.Iss1.1972.pp62-72>.

However, proper verification and procedures must be carried out to ensure the legitimacy of the situation.

The Regulation of the Minister of Finance on the Registration of Fiduciary Guarantees for Finance Companies requires finance companies that provide motor vehicle financing with fiduciary guarantees to register it at the Fiduciary Registration Office. This is especially true for financing sourced from follow-up financing or co-financing based on *Sharia* principles.²⁰ According to Article 25 of the Fiduciary Guarantee Act, an insurance claim remains valid if the object of the guarantee is destroyed, the secured debt is paid, or the right to the guarantee is released. If the collateral object is destroyed, the insurance claim remains valid, provided that notice is given to the Fiduciary Registration Office. The debtor is not necessarily exempt from the obligation to pay installments if the motor vehicle is lost in the credit process. The creditor is obliged to verify that the motor vehicle is indeed lost due to circumstances beyond the debtor's control.²¹ This has been stated in the consumer financing agreement between the debtor and the creditor and continued with the insurance agreement between the insured and the insurance company. Verification carried out by creditors includes confirmation of whether the vehicle is still in the credit process, the validity of the loss report from the police, and a brief interview related to the chronology of the loss of the motorcycle.

Loss of a motorcycle that is still in the credit process as an object of fiduciary guarantee, if the motorcycle is lost and there is no fault on the part of the Insured, then according to the provisions of Article 25 of the Fiduciary Guarantee Law, the Insured's obligation to pay installments can be considered removed. This happens because collateral objects (motorcycles) no longer exist, so the relationship between debts and receivables guaranteed by the object also ends.²² It is understandable that if the motorcycle used as a fiduciary guarantee is lost, and the Insured is not at fault for the loss, then the Insured is relieved of the obligation to continue to pay the credit and the Insurer can no longer claim the rights to the motorcycle because the fiduciary guarantee has been removed.

The role of insurance here is very important for people's lives, because if the motor vehicle that is still in the credit process is related to the assets owned by the debtor and the credit itself. This is because there has been no transfer of rights from creditors to debtors. Therefore, bound by an additional agreement called an insurance agreement, in the agreement there are rights and obligations for both parties.²³ The rights that the debtor can obtain include the right to file a claim, the right to obtain clear information related to insurance, the right to pay off credit fairly, the right to obtain a copy of the claim document, the right to refuse if there

²⁰ Hirsanuddin Hirsanuddin and Dwi Martini, "Principles of Good Corporate Governance in Islamic Banking: A Legal Perspective on the Integration of TARIF Values," *Journal of Indonesian Legal Studies* 8, no. 2 (November 14, 2023), <https://doi.org/10.15294/jils.v8i2.70784>.

²¹ Fay Alejandra Amadis et al., "Legal Certainty of Credit Agreements Without Guarantee Agreements," *Journal of Economic and Business Law Review* 4, no. 2 (October 22, 2024): 91, <https://doi.org/10.19184/jebblr.v4i2.50093>.

²² Shinta Pangesti and Prilly Priscilia Sahetapy, "Registration of dependent rights before and after the enactment of the Regulation of the Minister of Agrarian Affairs/Head of BPN Number 5 of 2020," *Agricultural Buds* 6, no. 2 (May 11, 2023): 71–92, <https://doi.org/10.31292/jta.v6i2.216>.

²³ Tania Erika Dharmanto and Retno Dewi Pulung Sari, "Problems of the Legal Force of Oral Work Agreements" 12 (2023).

is no certainty. The transfer of risk through the insurance mechanism in a credit or financing agreement does not necessarily remove the debtor's liability, but only transfers certain risk liabilities to the insurance company. The debtor remains the party who is obliged to pay off the debt, but in the event of an event insured in the policy such as death, permanent disability, or other risks the insurance company takes over the repayment obligation to the creditor according to the terms of the policy.²⁴ Thus, the function of insurance in financing is a transfer of risk, not a transfer of obligation.

The effectiveness of the risk transfer is highly dependent on the fulfillment of the terms and conditions of the insurance policy. The policy must be in active condition, premiums have been paid, and the risks incurred fall within the scope of coverage.²⁵ If one of the conditions is not met or there is a violation of the policy provisions, the insurance company can reject the claim, so that the payment obligation still returns to the debtor or his heirs. This shows that the transfer of risk is conditional, not absolute, and does not automatically eliminate the debtor's legal responsibility. For creditors, the existence of insurance provides protection against the risk of default because it guarantees that there are other parties who will pay off the debtor's obligations when the risk occurs. However, creditors are still required to follow the claim procedure and ensure that the required documents are met so that repayment by insurance can be carried out. In the end, risk transfer through insurance is a risk mitigation instrument, not a means of debt cancellation, so that the debtor's obligations remain attached until the obligation is paid off by the insurance company in accordance with the coverage agreement.

The legal consequence for the Insured is that the obligation to continue paying installments is not completely removed, but the payment is transferred to the insurance company. So in Article 1444 of the Civil Code it is explained that if the motorcycle that is still on credit is lost without fault from the Insured, then the Insured's liability can be removed, as long as the Insured can prove the event of the loss.²⁶ It provides protection for the Insured in unforeseen situations and beyond their control. The lost motorcycle is still in the credit process because it is not due to personal fault, so the Insured is not obliged to continue to pay the credit because the collateral object no longer exists, the credit agreement is abolished or it is considered to have completed the agreement.²⁷ But transferring it to the insurance company in accordance with the policy, the insurance company takes over for the repayment. An agreement or contract between an insurance company and a policyholder as the basis for collecting insurance premiums. The Insured Party is exempt from liability under the principles

²⁴ Nilam Nurainiyah, I Ketut Astawa, and Tri Setiady, *Legal Protection for Policyholders in the Context of Liability Transfer and Insurance Restructuring Based on Law Number 40 of 2014 concerning Insurance*, n.d.

²⁵ Iip Harnoto Prayogo and Syufaat Syufaat, "Legal Protection of Sharia Insurance Policyholders Based on Law Number 40 of 2014 concerning Insurance," *Alhamra Journal of Islamic Studies* 4, no. 1 (June 2023): 75, <https://doi.org/10.30595/ajsi.v4i1.17162>.

²⁶ Wieke Dewi Suryandari, "The Application of Fiduciary Guarantees in the Perspective of Islamic Law," *JPeHI (Indonesian Legal Research Journal)* 4, no. 2 (December 23, 2023): 15, <https://doi.org/10.61689/jpehi.v4i2.505>.

²⁷ Omar Farouk Al Mashhour, Ahmad Shamsul Abd Aziz, and Nor Azlina Mohd Noor, "Smart Contract as a Novel Method of Contracting: Many Unanswered Legal Questions," *Hasanuddin's Law Review* 11, no. 1 (January 20, 2025): 1, <https://doi.org/10.20956/halrev.v11i1.5061>.

of the Write-Off Agreement which refers to the cancellation of the agreement or liability caused by unforeseen events.

3.2. Responsibilities given by Asuransi Astra in PT. Federal International Finance (FIFGROUP) for Loss of Motorcycles Still in Credit Proces

The purpose of the insurance agreement is that the party who has the possibility of suffering the risk of loss (the insured) transfers the possible risk of loss that occurs to another party who is willing to pay compensation (the insurer), and the deed is useful as evidence for one of them in the event that the Insurance Company goes bankrupt, the life insurance agreement is valid if it is closed (there is already a conformity of the will) in this case it means that even if there is no policy (the policy has not been issued) has exercised its rights and obligations and can be slaughtered with other evidence, for example by accepting premium payments.²⁸ In a life insurance agreement, the parties, namely the policyholder, the insurer and the appointed (insured) have their respective rights and obligations which are reciprocal where the rights and obligations of the policyholder are.

An agreement that has been agreed upon and signed by the insured and the insurer can apply if at that time the insured also pays the premiums listed in the insurance agreement or insurance policy. If the mechanism has been fully implemented, then the insurance agreement will be in effect from that point on. This is marked by a payment made by the insured, then at that time the insurer is bound to accept the transfer of risk from the insured. Insurance policies are attached to parties that have consequences, namely the occurrence of obligations and rights for the parties. As stated in the provisions of article 246 of the Criminal Code, where the insured carries out his obligation to pay premiums to the insurer in lump sum or installments as a form of achieving the return of the insured's risk transfer to the insurer and vice versa, the insurer is also obliged to pay money to the insured gradually or at once if there is or is met with losses due to damage or losses due to uncertain events that will occur (*Unity*). In insurance, the term event is known, or often referred to as an event that is uncertain to occur. *An event* is defined as an event that according to human reason that the event or events cannot be expected to occur even though the event may occur but when such events occur cannot be determined and are also not expected by humans, especially the insured. However, if the event does occur in an insurance agreement that is still legally valid, the insurer is obliged to fulfill its obligation to pay for a number of losses felt by the insured.²⁹ However, if the opposite happens, if the insured knows about the event that will occur, the insured cannot exercise his or her right to demand compensation from the insurance company.

Therefore, events that have not yet occurred (*evenemen, onzeker voorval*) which are things contained in the insurance policy because the event is used as an element of the conclusion of the insurance agreement, in accordance with the nature of the insurance

²⁸ Gde Made Swardhana and Seguito Monteiro, "Legal Policy on the Regulation of State Financial Losses in State-Owned Enterprises," *BOARD* 11, no. 1 (June 20, 2023): 171, <https://doi.org/10.20961/bestuur.v11i1.61326>.

²⁹ William Sibarani, Utami Puspaningsih, dan Clarita Stefanie, "Quasi-Contract: A Comparative Analysis Between the United States of America and Indonesia," *Legal Journal* 11, no. 2 (August 2024): 274-93, <https://doi.org/10.22304/pjih.v11n2.a6>.

agreement which is an aleatory agreement and is also a conditional agreement.³⁰ An insurance agreement is said to be an agreement that is an asset that becomes an asset that it achieves. From the insurer must depend on a condition, namely an uncertain event while the achievement to be made by the insurer is certain, while a conditional agreement means an agreement that the achievement of the insurer can be carried out if the conditions in an agreement are met. Losses incurred as a result of an event, the insurer must carry out its obligations by compensating the insured. Therefore, insurance companies provide limits that can be covered by the insurance company as stated in the insurance policy. In the event that an event occurs and causes a loss as agreed in the insurance policy, the carrier is absolutely responsible for carrying out its obligation to cover the loss. With the protection provided in the insurance policy, it gives responsibility to the insurer in terms of settlement and determination of compensation to the insured based on the limitations or criteria listed in the insurance policy. The events listed in the policy are the sole responsibility of the insurance company, but if the event or loss arises outside of the insurance policy, the insurer has no obligation to provide compensation.

The conformity of the will contained in the loss insurance agreement is carried out by means of prior notification which is then followed by filling out the claim submission form by the insured and submitting the claim supporting documents to the insurer. This is based on good faith (Utmost Good Faith), which is the obligation of the insured to inform or convey all information correctly (material facts) about the insurance object to the insurer.³¹ The same goes for the Highest Goodwill for insurance companies to also have an obligation to explain the risks covered and not covered by the insurance. The principle of good faith is used as the basis of trust between the parties, the insured and the insurer, contained in the insurance agreement, where the insurer must be honest in explaining the provisions contained in the insurance and providing detailed information related to coverage regarding compensation to the insured. This also applies to the insured who is obliged to convey detailed information in accordance with the insured's object and interests and the insured is honest in providing the necessary information, not hiding actual information related to the cause of the loss.³² So, from this principle of good faith, the insured has an obligation to inform the insurer about the facts of the state of the object of insurance. The principle of good faith is one of the basic principles in treaty law that is very important to be applied in warranty agreements, including in motor vehicle financing. This principle requires both parties, namely creditors (leasing or banks) and debtors (customers), to be honest, transparent, and respect each other's rights and obligations from the beginning of the creation to the implementation of the agreement. In the context of guarantees, the principle of good faith requires that all information submitted is true, complete, and not misleading. This aims to create trust and ensure fairness for both parties.

³⁰ Faisal Faisal et al., "Mapping and Harmonization of Qanun in Islamic Financial Institutions," *Sriwijaya Law Review* 8, no. 1 (January 31, 2024): 20, <https://doi.org/10.28946/slrev.Vol8.Iss1.2513.pp20-37>.

³¹ Derita Prapti Rahayu et al., "Implications of Illegal Community Mining for Economic Development in Bangka Regency, Indonesia," *LEGAL REFORM* 19, no. 2 (December 6, 2023): 270-93, <https://doi.org/10.14710/lr.v19i2.52866>.

³² Gunawan A. Tauda, Andy Omara, and Gioia Arnone, "Cryptocurrency: Highlighting Approaches, Regulations, and Protection in Indonesia and the European Union," *BOARD* 11, no. 1 (August) (April 12, 2023): 1, <https://doi.org/10.20961/bestuur.v11i1.67125>.

In the implementation of the agreement, the principle of good faith plays a role in encouraging the debtor to carry out his obligations in an orderly manner, such as paying installments according to the agreement and maintaining the motor vehicle as collateral objects properly. Debtors must also act honestly if they face obstacles, such as loss of a vehicle or financial difficulties, by reporting to creditors immediately and not committing fraudulent acts such as hiding the vehicle or selling without permission. On the other hand, creditors are obliged not to act arbitrarily, for example by forcibly towing the vehicle without paying attention to legal procedures and without good communication to the debtor. In the event of an event that triggers an insurance claim, such as loss of a vehicle or total damage, the principle of good faith must still be put forward. The debtor is entitled to transparent information and a fair claims process, while the creditor is obliged to ensure that the debtor's rights are respected during the settlement process. The insurance claim must be used to pay off the remaining credit proportionately, and if there is an overpayment of the claim, the excess must be returned to the debtor. Conversely, if the value of the claim is insufficient, creditors and debtors can negotiate to find the best solution that does not harm both parties.

The explanation of the principle of utmost good faith (*uberimae fidei*) in insurance agreements generally emphasizes the obligation of the parties to act honestly, transparently, and not be misled from the pre-contractual stage to the implementation of the agreement. However, these explanations often stop at a conceptual level without linking them to concrete situations, such as the case of the loss of collateral objects (e.g. motorcycles) in insured financing. In fact, the application of the principle of good faith should be a normative standard in assessing the behavior of debtors and insurance companies when risks occur. In the context of a lost motorcycle, the debtor's position still has a debt to the creditor, but there are insurance claims that can cover the loss. Here, the debtor's good faith must be seen from steps such as correctly reporting losses to the authorities, providing accurate information to creditors and insurance, and not fabricating events to get insurance benefits.³³ On the contrary, the good faith of the insurance company is reflected in its objective and professional attitude in processing claims, not unilaterally rejecting claims without a valid basis, and providing a fair assessment of claims based on evidence and policy provisions.

Thus, the principle of good faith should not stop as a theoretical concept, but should be an instrument for assessing the reasonableness of the parties' behavior when an insured risk occurs. In the case of loss of a vehicle that results in the debtor remaining in debt but the insurance claim is paid, the application of this principle ensures that no party is unfairly harmed.³⁴ Debtors are protected from the rejection of unfounded claims, while insurance companies are protected from moral hazard or claims made with lies. The principle of good faith, therefore, serves as a mechanism for balancing rights and obligations in settling insurance claims in the case of financing accompanied by loss of object.

³³ Soraya Hafidzah Rambe and Paramitha Sekarayu, "Legal Protection of Customers for Failed Insurance Claims Due to Non-Transparency of Insurance Policy Information," *JOURNAL USM LAW REVIEW* 5, no. 1 (April 2022): 93–109, <https://doi.org/10.26623/julr.v5i1.4073>.

³⁴ Fanisyah Fazri and Lili Kurniawan, "Legal Aspects of the Implementation of Insurance Agreements," *Journal of Information Systems Management Economics* 2, no. 6 (July 2021): 772–84, <https://doi.org/10.31933/jemsi.v2i6.641>.

The application of the principle of good faith in guarantees not only strengthens the legal position of each party, but also creates a healthy and sustainable legal relationship. With good faith, potential conflicts, abuse of authority, and unnecessary losses can be minimized. This principle is in line with the spirit of the Consumer Protection Law which emphasizes the importance of a balance between economic power and the protection of consumer rights. Therefore, the principle of good faith must always be upheld in every stage of motor vehicle financing in order to create justice and legal certainty.

Responsibility is a person's behavior and attitude to carry out duties and obligations that apply to God, oneself, family, society, nation, and state. A form of responsibility that can be applied to problems arising from the loss of motorcycles that are still in the credit process is a responsibility to the community. The insurance company is responsible to the Insured for the problem of losing a motorcycle. Responsibility is applied by applying the rules and norms that apply in society. Responsibility for awareness, love or likeness, and courage as aspects of responsibility. The aspect applied is the aspect of awareness of the problems that occur to the Insured for the loss of a motorcycle that is still in the credit process. Problem solving based on an agreement or contract that has been made by both parties by doing it honestly and ethically. The implementation of the POJK Business Financing Company is an important reference for various business activities carried out by FIFGROUP. This regulatory framework FIFGROUP operates in various business areas which include Working Capital Financing, Investment Financing, *Operating Lease*, Multipurpose Financing, and/or cost-based activities. In addition, the company also offers Sharia Financing, which includes Financing in Buying and Selling, Investment, and Services which are all carried out using contracts in accordance with applicable sharia principles. FIFGROUP also has the potential to conduct other financing that requires approval from the OJK so that it can expand the scope of services provided to customers.³⁵

The responsibility given by Asuransi Astra in FIFGROUP in the event of the loss of a motorcycle that is still in the credit process refers to the applicable regulations in Indonesia, namely PSAKBI. However, not all articles in the policy are fully implemented in the implementation of this insurance obligation.³⁶ Some articles that are not included in the scope of liability are Article 4 which relates to definitions, Article 11 which regulates the Insured's obligations in the event of loss and/or damage, Article 12 which explains the rest of the goods, Article 13 which discusses false reports, Article 14 which explains supporting documents for claims, and Article 29 which regulates disputes and Article 30 which contains closure. Summary of Product and Service Information hereinafter abbreviated as RIPLAY in General Version of Motor Vehicle Insurance managed by Asuransi Astra explains in detail that motor vehicle insurance is one of the insurance products offered by PT Asuransi Astra Buana. This product is designed to provide indemnification guarantees to the Insured if the insured vehicle is damaged or lost due to a variety of risks, including but not limited to collisions, collisions,

³⁵ Dafa Rizky Pradana, Taufiqurrahman Taufiqurrahman, and Farhan Saleh, "Civil Liability of Debtors in Credit Agreements With Individual Guarantees," *Wijaya Putra Law Journal* 1, no. 2 (August 15, 2023): 103–15, <https://doi.org/10.38156/jihwp.v1i2.123>.

³⁶ Arifatul Uyun and Abdul Mujib, "Fiduciary Guarantee Dispute Resolution in Pawn Practice," *Al-Adl : Legal Journal* 14, no. 2 (July 18, 2022): 285, <https://doi.org/10.31602/al-adl.v14i2.6149>.

overturns, slips, and malicious acts committed by third parties.³⁷ In addition, protection also covers the risk of theft and fire, thus providing a sense of security for vehicle owners. This obligation also applies as long as the motor vehicle is on board the ship for the crossing, provided that the trip is carried out under the supervision of the Directorate General of Land Transportation. Thus, this insurance product not only provides coverage in emergencies on land, but also protects vehicles on sea trips, thus providing more comprehensive protection for the Insured.

The loss of a motorcycle that is still in the credit process makes the Insured obliged to prepare and bring a claim document at the beginning of the total loss (TLS), consisting of a loss report form. This document must be accompanied by some important evidence, such as the last driver's license, the original STNK, the Police Certificate, the Interview form, the form stating the willingness to be surveyed, and the STNK block letter.³⁸ The Insured is then asked to come directly to the nearest Asuransi Astra branch or Garda Center to conduct a vehicle survey and meet the required document requirements. The coverage condition offered by Asuransi Astra is *Total Loss Only* (TLO), where Asuransi Astra provides a guarantee of protection against the risk of total loss or damage. This means that if the cost of vehicle repair is estimated to be equal to or exceed the price of the vehicle unit shortly before the loss occurs, then the claim will be processed. In addition, this insurance also covers losses due to theft, providing customers with the assurance that they will get proper compensation in the event of an unexpected situation.³⁹ Thus, customers can feel more comfortable knowing that they have the right protection in the face of various risks that may occur to their vehicles, especially when they are still on the credit period.

The responsibilities provided by Asuransi Astra in FIFGROUP are based on PSAKBI. RIPLAY Motor Vehicle Insurance provides compensation according to the sum insured in the policy. The liability granted is based on partial losses, and total losses. Partial losses are calculated based on the cost of necessary repairs or replacement of damaged vehicle parts, and the total loss awarded is calculated based on the actual price, i.e. the market price of the motor vehicle at the time of loss, then the value provided will not exceed the amount of price coverage agreed in the policy. Insurance claims provided by Asuransi Astra are in the form of cash, not in the form of vehicle units in accordance with the initial installment contract. Asuransi Astra will compensate a number of monetary losses based on the market price of the motorcycle at the time of the incident minus the amount of installment debt still owed. Asuransi Astra pays the claim within 14 working days after the documents are complete, accepted, and approved, so that the Insured can immediately get appropriate compensation for the losses incurred.

³⁷ Ferdiansyah Putra Manggala, "Legal Protection for Third Parties Provided as Individual Guarantees by Fintech Peer-to-Peer Lending," *Justiciabelen Journal* 6, no. 2 (December 19, 2023): 1, <https://doi.org/10.30587/justiciabelen.v6i2.6992>.

³⁸ Hirsanuddin Hirsanuddin and Sudiarto Sudiarto, "Legal Protection for the Parties (Creditors and Debtors) through Parate Executie of the Object of Dependency," *IUS Journal of Law and Justice Studies* 9, no. 1 (April 26, 2021): 253–67, <https://doi.org/10.29303/ius.v9i1.890>.

³⁹ Daman Huri, "Development of the Basic Concept of Fiduciary Guarantees in Practice," *Ma'mal: Journal of Sharia and Law Laboratory* 3, no. 3 (June 6, 2022): 253–71, <https://doi.org/10.15642/mal.v3i3.145>.

Insurance dispute resolution can be done through two bodies, namely the Consumer Dispute Resolution Agency and the Indonesian Insurance Mediation Bureau. Law Number 8 of 1999 concerning Consumer Protection aims to empower consumers to be in an equal and balanced position and provide legal certainty. Related to this, it can be seen in Article 4 of the Consumer Protection Law.⁴⁰ This provides another dispute resolution opportunity for the aggrieved Insured to resolve his dispute at the Consumer Dispute Resolution Agency in addition to filing a default lawsuit in the District Court, a faster period of time (the judgment is 21 days, while 7 days from the date of issuance of the judgment, there must be enforcement. In addition, the judgment is also final and binding, and allows the Insured to apply for an executable seizure to the District Court if the result of the judgment is not implemented.

On the other hand, dispute resolution through the Indonesian Insurance Mediation Bureau is carried out through the mediation and adjudication stages. This institution only processes disputes that occur between policyholders and insurance companies. A maximum claim of 500 million for general insurance, 300 million for life insurance, and social security; there must be an internal settlement first, but it failed. Disputes that cannot be resolved at BMAI are the determination of premium prices, policies related to interest rates and costs, actuarial standards, and provisions that apply in general and related to criminal acts.

4. Conclusions

Legal consequences for the Insured for the loss of a motorcycle that is still in the process of credit are not obliged to continue the credit payment because the collateral object no longer exists, and the agreement is abolished due to damage to the goods owed due to no personal fault. A credit agreement is deemed invalid so the Insured is exempt from liability under the principle of the Write-Off Agreement which refers to the cancellation of an agreement or obligation caused by an unforeseen event. The Insured is obliged to prove the event of loss by conducting proper verification and procedures to ensure the validity of the situation in accordance with the Indonesian Motor Vehicle Insurance Standard Policy. If the insured can prove that the loss event is disbursed, then the payment of the insurance policy is transferred to the insurance company, so that the insurance company takes over the debtor's obligation to pay the credit.

The responsibilities given by Asuransi Astra at PT. Federal International Finance (FIFGROUP) is based on the Indonesian Motor Vehicle Insurance Standard Policy. Summary of General Version of Products and Services Information (RIPLAY) Motor Vehicle Insurance provides compensation in accordance with the sum insured in the policy. The liability awarded based on the loss is partially calculated based on the cost of necessary repairs or replacement of damaged vehicle parts, and the total loss awarded is calculated based on the actual price, i.e. the market price of the motor vehicle at the time of loss. Insurance claims provided by Asuransi Astra are in the form of cash, not in the form of vehicle units in accordance with the initial installment contract. Asuransi Astra will compensate a number of monetary losses based on the market price of the motorcycle at the time of the incident minus the amount of installment debt still owed.

⁴⁰ Nurul Fibrianti et al., "Legal Culture and Consumer Legal Awareness: Influence on Consumer Protection Regulations and Law Enforcement," *Journal of Indonesian Legal Studies* 8, no. 2 (November 24, 2023), <https://doi.org/10.15294/jils.v8i2.69336>.

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