



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF
INDONESIA NUMBER 99/PMK. 010/2011

CONCERNING

AMENDMENT OF REGULATION OF THE MINISTER OF FINANCE
NUMBER 222/PMK. 010/2008 CONCERNING CREDIT INSURANCE COMPANY
AND RE-CREDIT INSURANCE COMPANY

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE,

- Considering : a. that in order to develop insurance industry which is able to provide benefit in terms of insurance services for dynamic community, there is a need of regulation which is more comprehensive and meeting the prudent principle;
- b. that in order regulation in the field of insurance to be more comprehensive and meeting prudent principle as referred to in item a, there is a need to amend Regulation of the Minister of Finance Number 222/PMK.010/2008 concerning the Credit Insurance Company and the Re-Credit Insurance Company;
- c. that based on consideration as referred to in item a and item b, there is a need to stipulate Regulation of the Minister of Finance concerning the Amendment of Regulation of the Minister of Finance Number 222/PMK.010/2008 concerning Credit Insurance Company and Re-Credit Insurance Company;
- In View of : 1. Presidential Decree Number 2 Year 2008 concerning Insurance Agency;
2. Regulation of the Minister of Finance Number 222/PMK.010/2008 concerning Credit Insurance Company and Re-Credit Insurance Company;

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING AMENDMENT OF REGULATION OF THE MINISTER OF FINANCE NUMBER 222/PMK. 010/2008 CONCERNING CREDIT INSURANCE COMPANY AND RE-CREDIT INSURANCE COMPANY.

Article I

Several provisions in Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning Credit Insurance Company and Re-Credit Insurance Company are amended as follows:



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 2 -

1. The provisions of Article 1 point 6, point 8, point 11, point 12, point 14, point 18, point 19, point 20, point 25, point 27, point 28, and point 31 are amended that Article 1 reads as follows:

Article 1

In this Regulation of Minister of Finance, the term:

1. Insurance Company is a legal entity engaged in finance with Insurance as principal business activity.
2. Credit Insurance Company, hereinafter referred to as Insurer, is Insurance Company whose main business activity is Credit Insurance.
3. Re-Credit Insurance Company is a legal entity engaged in financial sector with principal business activities doing Re-Credit Insurance.
4. Re-Credit Insurance Company, hereinafter referred to as Re-Insurer, is the Insurance Company whose main business activity is Re-Credit Insurance.
5. Insurance is the activity of insuring over fulfillment of financial obligations of Credit recipient and/or Financing based on Sharia Principle.
6. Credit Insurance is insurance activity over fulfillment of financial obligations of the Insured.
7. Re-insurance is the activity of a insuring over fulfillment of financial obligations of Insurance Company which has insured the fulfillment of financial obligations of Credit recipients and/or Financing based on Sharia Principle.
8. Re-Credit Insurance is the activity of providing insurance over the fulfillment of the financial obligations of the Insurer which has ensured the fulfillment of financial obligations of the Insured.
9. Credit is the provision of money or bills equivalent to it, based on the approval or loan agreement between a Financial Institution with another party that requires the borrower to repay its debt within a certain period along with the interest.
10. Financing based on Sharia Principle, hereinafter referred to as financing, is financing based on Sharia Principle provided by a Financial Institution.
11. Productive Business is an activity to produce goods and/or services that provides added value and increase income to the Insured.
12. Gearing ratio is limit which is defined in order to measure the ability of the Insurer or Re-Insurer in making Insurance or Re-Insurance activity.



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 3 -

13. Financial Institution is a Bank and a Non-Bank Financial Institution.
14. Branch office is the office of the Insurer or Re-Insurer who is directly responsible to the head office of insurer or re-insurer.
15. Sub-Branch Office is an office under Branch office whose business activity is to assist its Branch office.
16. Insurance Beneficiary is a Financial Institution or other than Financial Institution that have provided Credit and/or Financing to the Insured.
17. The Insured is the party which has obtained Credit and/or Financing from a Financial Institution or other than Financial Institution that is insured by either individual, business entity, limited liability company, business unit of a foundation, cooperatives and micro, small and medium enterprises (UMKM)
18. Insurance Certificate is a proof of insurance approval to the Insurance Beneficiary on the obligation of the Insured.
19. Insurance Fee, hereinafter referred to as IJP, is the amount of money received by the Insurer from the Insured in terms of Insurance business activity.
20. Re-Insurance Fee, hereinafter referred to as IJPU, is the amount of money received by Re-Insurer from the Insurer in terms of Re-Insurance Business Activity.
21. Claim is a claim of payment by the Insurance Beneficiary to the Insurer because the Insured cannot meet its obligation in accordance with the agreement or claim of payment of the Insurer to the Re-Insurer, which has paid the financial obligation of the Insured to Insurance Beneficiary.
22. Subrogation is the transfer of right to collect from Insurance Beneficiary to the Insurer after the Insurance Beneficiary receives claim of payment from the Insurer.
23. Business activity based on Sharia Principle is a business activity of the Insurer or Re-Insurer that is made based on Sharia Principle.
24. Sharia Principle is principle based on the teaching or Sharia law.
25. Administrator is the member of board of directors and board of commissioners for the Insurer or Re-Insurer in the form of liability company and legal entity or the board of directors and supervisor for the Insurer or Re-Insurer in the form of public company and regional company or the administrator



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 4 -

- and Supervisory Agency for the Insurer or the Re-Insurer in the form of cooperative.
26. National Sharia Board, hereinafter referred to as DSN, is a board established by Indonesian Ulama Assembly to deal with matters relating to the activities of Sharia Financial Institution.
 27. Sharia Supervisory Board is a board that recommended by DSN placed in Insurer or Re-Insurer assigned to conduct surveillance of business activity of Insurer or Re-Insurer to fit with Sharia Principle stated by DSN.
 28. Examination is a series of activities to collect, search, process, and evaluate data and information on the activities of the Insurer or Re-Insurer, which is aimed to have certainty in the correctness of the periodical report, compliance with the provisions of the regulation of law in the field of insurance institution and ensuring that periodic reports is in accordance with the actual condition of the company.
 29. Examiner is an officer of Financing and Insurance Bureau, Capital Market Supervisory Agency and Financial Institution or other parties designated by the Chairman of Capital Market Supervisory Agency and Financial Institution.
 30. Examination Warrant is a letter issued by the Head of Financing and Insurance Bureau on behalf of the Chairman Capital Market Supervisory Agency and Financial Institution used by the examiner as the basis of Examination.
 31. Notice of Examination is a letter issued by the Head of the Finance and Insurance Bureau on behalf of the Head of Capital Market Supervisory Agency and Financial Institution submitted to the insurer or the Re-Insurer to be examined.
 32. Minister is the Minister of Finance of the Republic of Indonesia.
2. The provision of Article 3 is amended that it reads as follows:

Article 3

- (1) In additional to the activities as referred to in Article 2 paragraph (1), the Insurer may made other business activities, that is:
 - a. Insurance on loan distributed by cooperative to its members;
 - b. Insurance on credit and/or loan of partnership program distributed state-owned enterprises in



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 5 -

- terms of partnerships and community development program (PKBL);
- c. Insurance on distribution of borrowed money with pledge and fiduciary insurance.
 - d. Insurance on debenture;
 - e. Insurance on trade transaction;
 - f. Insurance of procurement of goods and/or services (surety bond).
 - g. Insurance on bank insurance (counter bank insurance)
 - h. Insurance on domestic documentary letter of credit (SKBDN);
 - i. Insurance on letter of credit (L/C);
 - j. Insurance on custom bond;
 - k. Management consulting services in relation to insurance business activity.
 - l. Provision of information/database of the Insured related to insurance business activity; and/or
 - m. Other insurance after obtaining approval of the Minister.
- (2) Re-Insurer can made Re-Insurance on the insurance as referred to in paragraph (1) item a to item m.
3. Between Article 3 and Article 4, there is inserted 1 (one) article, namely Article 3A, that it reads as follows:

Article 3A

- (1) In conducting its business, Insurer may use the service of Insurance agent.
- (2) Insurance agent as referred to in paragraph (1) is an individual or legal entity that makes marketing business activity of insurance for and on behalf of Insurer.
- (3) In the case the insurer uses insurance agents, insurer must use a registered insurance agent as an associate member.
- (4) Insurer is obliged to have an agency agreement with the insurance agent who makes marketing for and on behalf of the Insurer.
- (5) Any action of the Insurance agent related to insurance transactions is the responsibility of the Insurer.
- (6) In the agency agreement as referred to in paragraph (4), the Insurer is obliged to include a clause granting commissions to insurance agent to maximum 15% (fifteen percent) of the IJP.



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 6 -

- (7) If the insurer violates the provisions in paragraph (3), paragraph (4), and paragraph (6), namely:
- a. Using insurer agent services that are not listed as an associate of the insurer.
 - b. Does not have an agency agreement with the agent of insurer who do marketing for and on behalf of insurer, and/or
 - c. Does not include a clause granting commissions to insurer agent or include clauses granting insurer agency commissions to exceed 15% (fifteen percent) of the IJP in agency agreement, insurer is subject to administrative sanctions with imposition of sanctions procedure as set the Regulation of Minister of Finance Number 222/PMK. 010/2008 on Credit Insurance Company and Re-insurance Company.
4. The provision of Article 4 paragraph (1) is amended, paragraph (2) is removed and added 3 (three) paragraph, namely paragraph (3), paragraph (4), and paragraph (5), that Article 4 reads as follows:

Article 4

- (1) Insurer or Re-Insurer is obliged to maintain its liquidity.
 - (2) Removed.
 - (3) Liquidity Ratio of the Insurer or Re-Insurer is defined at least 150% (one hundred and fifty percent).
 - (4) The liquidity ratio as referred to in paragraph (3) is calculated using the current ratio which is the ratio between current assets with current loan.
 - (5) If the insurer or Re-Insurer violate the provisions as referred to in paragraph (1) and paragraph (3), that is not to maintain liquidity or to have liquidity ratio of less than 150% (one hundred and fifty percent), the concerned Insurer or the Re-Insurer is imposed with administrative sanction in accordance with the Procedures as set forth in Regulation of Minister of Finance Number 222/PMK. 010/2008 concerning the Credit Insurance Company and the Credit Re-insurance Company.
5. Between Article 4 and Article 5, there are inserted 2 (two) articles, namely Article 4A and 4B, that read as follows:

Article 4A

- (1) The insurer can only invest in the form of:



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 7 -

- a. deposit in commercial banks;
 - b. state securities and/or state sharia securities;
 - c. securities and/or sharia securities issued by Bank Indonesia;
 - d. corporate bonds and/or corporate sukuk included in investment grade;
 - e. stocks listed on the stock exchanges of Indonesia;
 - f. mutual funds and/or sharia funds, and/or
 - g. Direct investment in the Re-Insurer.
- (2) Re-Insurer can only make investment as referred to in paragraph (1) item a to item f.
- (3) Restriction on investment as referred to in paragraph (1) and paragraph (2) is as follows:
- a. Investment in the form of deposit at any commercial bank is set at maximum 50% (fifty percent) of the total investment;
 - b. Investment in government security and/or sharia security is set at maximum 50% (fifty percent) of the total investment;
 - c. Investment in security and/or sharia security issued by Bank Indonesia is set at maximum 50% (fifty percent) of the total investment;
 - d. Investment in corporate bonds and/or corporate sukuk incoming investment grade at the time of placement is set at maximum 20% (twenty percent) of the total investment;
 - e. Investment in shares listed on the stock exchange Indonesia is set at maximum 10% (ten percent) of total investment;
 - f. Investment in mutual funds and/or Sharia funds is set at maximum 5% (five percent) of the total investment.
 - g. Investment in the form of direct investments in Re-Insurer is set at maximum 10% (ten percent) of the total investment.
- (4) If the insurer violates the provisions in paragraph (1) and paragraph (3), namely:
- a. making investments other than in the form of:
 1. Deposits in commercial banks
 2. State securities and/or Sharia securities the state;
 3. Securities and/or Sharia securities issued by Bank Indonesia
 4. Legal entity bonds and/or the entry of legal



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 8 -

- entity sukuk investment grade;
 - 5. Stocks listed on the stock exchanges of Indonesia;
 - 6. Mutual funds and/or Sharia funds, and/or
 - 7. Re-direct investment in the insurer,
- b. not meeting the following investment restrictions:
- 1. Investment in the form of deposits at any commercial bank exceed 50% (fifty percent) of the total investment;
 - 2. Investment in government securities and/or Sharia state securities exceeds 50% (fifty percent) of the total investment;
 - 3. Investment in securities and/or letters Sharia securities issued by Bank Indonesia exceed 50% (fifty percent) of the total investment;
 - 4. Investment in corporate bonds and/or sukuk corporate entry investment grade at the time of placement exceeds 20% (twenty percent) of the total investment;
 - 5. Investment in shares listed on the stock exchange Indonesia exceed 10% (ten percent) of the total investment;
 - 6. Investment in mutual funds and/or Sharia funds exceed 5% (five percent) of the total investment;
 - 7. Investment in the form of direct investments in Re-Insurer exceed 10% (ten percent) of the total investment;

The concerned insurer is subject to administrative sanctions in accordance with Procedures of Sanction Imposition as set the Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning Credit Insurance Company and Credit Re-insurance Company.

- (5) If the Re-Insurer violates the provisions as referred to in paragraph (2) and paragraph (3), namely:
- a. making investments other than in the form of:
 - 1. Deposits in commercial banks
 - 2. State securities and/or Sharia securities the state;
 - 3. Securities and/or Sharia securities issued by Bank Indonesia
 - 4. Legal entity bonds and/or the entry of legal



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 9 -

- entity sukuk investment grade;
5. Stocks listed on the stock exchanges of Indonesia;
 6. Mutual funds and/or Sharia funds,
- b. not meeting the following investment restrictions:
1. Investment in the form of deposits at any commercial bank exceed 50% (fifty percent) of the total investment;
 2. Investment in government securities and/or Sharia state securities exceeds 50% (fifty percent) of the total investment;
 3. Investment in securities and/or letters Sharia securities issued by Bank Indonesia exceed 50% (fifty percent) of the total investment;
 4. Investment in corporate bonds and/or sukuk corporate entry investment grade at the time of placement exceeds 20% (twenty percent) of the total investment;
 5. Investment in shares listed on the stock exchange Indonesia exceed 10% (ten percent) of the total investment;
 6. Investment in mutual funds and/or Sharia funds exceed 5% (five percent) of the total investment;

The insurer is subject to administrative sanctions in accordance with Procedures of Sanction Imposition as set the Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning Credit Insurance Company and Credit Re-insurance Company.

Article 4B

- (1) Insurer or Re-Insurer is obliged to have a backup claims at least 0.25% (zero point twenty five percent) of the total value of the Insurance of the insurer or re-insurer.
- (2) Re-insurer or the insurer shall have general reserves at least 25% (twenty five percent) of the net income at the end of each annual reporting period.
- (3) General reserve as referred to in paragraph (2) only can be used to cover losses that cannot be claims reserves filled.
- (4) If the insurer or the re-insurer violates the provision as referred to in paragraph (1) to paragraph (3), namely:
 - a. It does not establish claims reserves or forming



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 10 -

- claims reserves but less than 0.25% (zero point twenty five percent) of the total value of the insurance borne insurer or the re-insurer;
- b. Not establish a general reserve of form general reserves but less than 25% (twenty five percent) of the net profit at the end of each reporting period.
- c. Using general reserve than to close losses that cannot be met by claims reserves,
Insurer or the re-insurer shall be liable accordance with the Administrative Procedure for Imposition of Sanctions as referred to in Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning Credit Insurance Company and Credit Re-insurance Company.
6. The provision of Article 7 item i is amended, that Article 7 reads as follows:

Article 7

Application for Business License as referred to in Article 6 paragraph (1) is submitted to the Minister by the directors or administrator in accordance with the format as specified in appendix this regulation of the Minister of Finance and should enclosing:

- a. deed of establishment of legal entity including the articles of association which has been legalized by a competent authority, which includes at least:
1. name, place, and scope of the operating area;
 2. business activity as Insurer or the Re-Insurer;
 3. capital;
 4. ownership; and
 5. authority, responsibilities, tenure Board.
- b. data of candidates of administrator including:
1. recent photographs size 4 x 6 cm;
 2. copy of identification such as Residential Identity Card (KTP) or a valid passport;
 3. curriculum vitae; and
 4. Statement:
 - a. not listed in the list of bad debts in the sector banking;
 - b. never been convicted of a crime
 - c. not been declared bankrupt or convicted which resulted in a company/firm declared



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 11 -

bankrupt by court decision legally binding

- d. not concurrent positions on the insurer and/or the re-insurer other than the office of commissioner/board of trustees/watchdog re-insurer for directors or managers, and
 - e. statement or written evidence of experience in insurance or banking field or other Financial Institution period of 2 (two) years for one directors or managers.
- c. Data of Shareholders/members in term of:
1. individual, the document attached is document as referred to in item b point 1, point 2, and point 3 also a statement that the capital deposit was not derived from loan and money laundering activities;
 2. legal entities, the documents attached are:
 - a) deed of establishment of legal entity, including basic budget and also changes which have been approved by a competent authority;
 - b) financial report which has been audited by a public accountant and/or the latest financial reports, and
 - c) documents as referred to in item b point 1, point 2, and point 3 for shareholders and directors or administrator of the entity.
 - d. organizational structure that has a risk management function, financial management function, service function, and development of information/database of the Insured.
 - e. systems and procedures insurer or the re-insurer;
 - f. business plan for the first three years at least contain:
 1. feasibility study on market opportunities and potential the economy
 2. business activities plan of insurer or the re-insurer and action steps to be taken in carry out this plan; and
 3. balance sheet, income statement and cash flow statement monthly for 12 (twelve) months starting from the insurer or the re-insurer do operational activities.
 - g. list of human resources who have experience in insurance sector;
 - h. copy of proof of payment of the deposit of minimum capital form deposits on behalf of the legal entity



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 12 -

- insurer or the re-insurer at one commercial bank in Indonesia and certified by the receiving bank deposit valid during the license application process;
- i. proof of operational readiness such as;
 1. list of fixed assets and inventory;
 2. proof of ownership, control, or lease agreement rent an office;
 3. example of the form, including the Insurance Certificate will be used to operate insurer or the re-insurer; and
 4. Tax Payer Registration Number (NPWP)

7. The provisions of Article 11 paragraph (1), paragraph (2), and paragraph (3) are amended and added 2 (two) paragraphs, namely paragraph (4) and paragraph (5), that Article 11 reads as follows:

Article 11

- (1) Paid-in capital or principal deposit, special deposit and grants insurer are set based on the operations scope of national or province.
- (2) Total paid up capital or principal deposit, special deposit insurer and grants are set at least:
 - a. Rp100,000,000,000.00 (one hundred billion rupiahs), for national scope; or
 - b. Rp25,000,000,000.00 (twenty five billion rupiahs), for province scope,
- (3) Total paid up capital or principal deposit, special deposit, grants insurer is defined of at least Rp200,000,000,000.00 (two hundred billion rupiahs)
- (4) If the insurer violates the provision as referred to in paragraph (2), namely:
 - a. having paid capital or principal deposit, special deposit and a grant of less than 100,000,000,000,00 (one hundred billions dollars), the scope for national; or
 - b. having paid capital or principal deposit, special deposit and a grant of less than 25,000,000,000,00 (twenty five billions dollars), the scope for the province,Insurer is subject to administrative sanctions in accordance with Sanction Imposition Procedures as set in the Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning the Credit Insurer company and Credit the Re-insurer Company.
- (5) If the Re-Insurer violates the provision as referred to in paragraph (3), which has a paid up capital or



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 13 -

principal deposit, special deposit, and grants of less than 200,000,000,000.00 (two hundred billion dollars), the re-insurer referred to administrative sanctions in accordance with the Imposition of sanctions Procedures as set in the Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning the Credit Insurer company and Credit the Re-insurer Company.

8. The provisions of Article 22 paragraph (2) and paragraph (3) are amended, that Article 22 reads as follows:

Article 22

- (1) Acquisition of the insurer or the re-insurer by taking over all or most of the stock of other insurer or the re-insurer that results in the shift of control on the company.
 - (2) The acquisition of the insurer or the re-insurer as referred to in paragraph (1) may be done under the following provisions:
 - a. the implementation of acquisition does not result in Recipient reduced warranty rights or the rights of Insurer;
 - b. the implementation of acquisition shall meet Gearing Ratio provisions as Productive Business as referred to in Article 42A paragraph (4) and total Gearing Ratio as referred to in Article 42A paragraph (5) that it does not make the company that make acquisition not to comply the allowed Gearing Ratio.
 - (3) If the Insurer or the Re-Insurer violates the provision as referred to in paragraph (2), namely:
 - a. making acquisition that results in reducing right of Insurance Beneficiary or right of other Insurer; or
 - b. making acquisition results in the Insurer or Re-Insurer not complying with the provision of Gearing Ratio of Productive Business as referred to in Article 42A paragraph (4) and total Gearing Ratio as referred to in Article 42A paragraph (5), Insurer or Re-Insurer is subject to administrative sanctions in accordance with Sanction Imposition Procedures as set in the Regulation of the Minister of Finance Number 222/PMK.010/2008 concerning the Credit Insurance Company and Credit Re-Insurance Company.
9. The provisions of Article 38 paragraph (2) and paragraph (4) are amended and paragraph (3) is



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 14 -

removed, that Article 38 reads as follows:

Article 38

- (1) In operating its business, the Insurer accepts IJP and the Re-Insurer accepts IJPU.
- (2) The rate of IJP or IJPU is determined by considering, such as:
 - a. risks being insured;
 - b. insurance period;
 - c. general administrative, operating and marketing costs, and
 - d. profit.
- (3) Removed.
- (4) In the event that the Insurer execute insurance is a program of the Government so the provisions of the IJP referred to in paragraph (2) shall not apply to Insurer in question and the criteria of IJP for the Insurer be regulated in the Regulation of the Minister of Finance itself.

10. The title of CHAPTER XVI is amended, that it reads as follows:

CHAPTER XVI

GEARING RATIO AND EXCHANGE INSURANCE
FOR PRODUCTIVE BUSINESS

11. The provision of Article 42 is removed.
12. Between Article 42 and Article 43, there is inserted 1 (one) article, namely Article 42A, that it reads as follows:

Article 42A

- (1) In order to undertake healthy business of Insurance or Re-Insurance, Insurer or Re-Insurer must maintain Gearing Ratio.
- (2) Gearing Ratio as referred to in paragraph (1) is a comparison between the total value of Insurance or Re-Insurance covered by themselves with own net capital Insurer or the Re-Insurer at any given time.
- (3) Net Own-Capital of the Insurer or Re-Insurer as referred to in paragraph (2) is:
 - a. the sum of the paid-up capital, reserves, and profits, reduced losses, in the case of the Insurer or the Re-Insurer is in the form of legal entity of limited liability company, public company, corporate company and region-owned enterprise;or



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 15 -

- b. The sum of the principal deposit, special deposit, grants, reserve fund, and the remaining business results, reduced with participation and loss, in the case the Insurer or the Re-Insurer is a cooperative legal entity.
- (4) Gearing Ratio for Insurance or Re-Insurance for Productive Business is set at maximum 10 (ten) times.
 - (5) Total Gearing Ratio for the Insurer or the Re-Insurer set at maximum 40 (forty) times.
 - (6) If the Insurer or the Re-Insurer makes violation as referred to in paragraph (1), paragraph (4), and paragraph (5), namely:
 - a. having gearing ratio of Productive businesses more than 10 (Ten) times, and/or
 - b. having total Gearing Ratio more than 40 (forty) times,Insurer or Re- Insurer is subject to administrative sanction in accordance with Sanction Imposition Procedures as set forth in the Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning Credit Insurance Company and Credit Re-Insurance Company.
13. The provision of Article 43 paragraph (2) is removed, paragraph (1) and paragraph (3) are amended, and between paragraphs (2) and paragraph (3) there is inserted 3 (three) paragraph, namely paragraph (2a), paragraph (2b) and paragraph (2c), that Article 43 reads as follows:

Article 43

- (1) Insurer or the Re-Insurer that does not comply with Gearing Ratio of Productive Business as referred to in Article 42A paragraph (4) and Total Gearing Ratio as referred to in Article 42A paragraph (5) is given a period of maximum 4 (four) months as of the date of letter notice to the Insurer or the Re-Insurer to complete the provision of Gearing Ratio.
- (2) Removed.
- (2a) The Insurer or the Re-Insurer that does not comply Gearing Ratio as referred to in paragraph (1) shall submit to the Minister regarding the fulfillment of the plan Gearing Ratio which has been approved by the board of commissioners/council supervisory/regulatory authorities.
- (2b) Gearing Ratio compliance plan contains measures such as:



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 16 -

- a. restructuring insurance or Re-Insurance;
- b. termination of the Insurance or new Re-Insurance;
- c. addition on capital or principal deposit, special deposit and grants by the shareholders;
- d. merging of legal entities.

(2c) Gearing Ratio compliance plan as referred to in Paragraph (2a) is submitted within 1 (one) month as of the date of notice to the Insurer or the Re-Insurer.

(3) If the Insurer or the Re-Insurer that does not meet Gearing Ratio provision as referred to in paragraph (1), violating the provision as referred to in paragraph (2a) and paragraph (2c), namely:

- a. not submitting a plan of compliance Gearing Ratio been approved by the board of commissioners/council supervisory/regulatory body to the Minister;
- b. submitting compliance plans Gearing Ratio beyond the period of 1 (one) month after the date of the letter notice to the Insurer or the Re-Insurer,

The Insurer or Re-Insurer is subject to administrative sanction in accordance with Sanction Imposition Procedures as set forth in the Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning Credit Insurance Company and Credit Re-Insurance Company.

14. The provision of Article 44 is removed.

15. Between Article 44 and Article 45, there is inserted 1 (one) article, namely Article 44A, that reads as follows:

Article 44A

1. The insurer must have the value of Insurance for Productive Business at least 20% (twenty percent) of the total value of Insurance maximum of 2 (two) years after receiving business license.
2. If the Insurer violates the provision as referred to in paragraph (1), which has a value of Insurance of Productive Business less than 20% (twenty percent) of the total value of the Insurance after 2 (two) years to get a business license, Insurer is subject to administrative sanction with Sanctions Imposition Procedures as set forth in the Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning the Credit Insurance Company and the



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 17 -

Re-Credit Insurance Company.

16. The provision of Article 62 is amended, that it reads as follows:

Article 62

1. The examination of any Insurer or the Re-Insurer is performed regularly at least once in 2 (Two) years or at any time necessarily.
2. Periodical examination as referred to in paragraph (1) is comprehensive in nature that covers aspects of the substance of the periodical report, compliance with regulation of law in the field insurance institution.
3. Periodic examination as referred to in paragraph (1) contained in the annual examination plans and customized with the priorities of the business types Insurer or Re-Insurer established by the Head of Finance and Insurance, Capital Market Supervisory Agency and Financial Institution.
4. Examination of each period as referred to in paragraph (1) is an examination which is specific in nature and performed when:
 - a. Based on the analysis of periodic reports of the Insurer or the Re-Insurer, it is considered that the implementation of business activities is deemed deviating from regulation of law in the field of the insurance institution sectors that can pose a risk on interests of the parties in the activity of Insurance or Re-Insurance;
 - b. Based on information obtained or letters of complaints received by the finance and insurance agency, Capital Market Supervisory Agency and Agencies Treasury considered that the implementation of activities venture company is to deviate from the regulation of law in the field of institutions insurance that could pose a risk on behalf of the Security recipients, or
 - c. There are special reasons underlying the need for Investigation, such as:
 1. Verification of company operations;
 2. Inlegal entity;
 3. Merger;
 4. Acquisition; and/or
 5. Insurance portfolio of insurance or re-insurance.



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 18 -

17. To amend Appendix I of Regulation of the Minister of Finance Number 222/PMK. 010/2008 concerning Credit Insurance Company and Credit Re-Insurance Company to be as that in the Appendix of this Regulation of the Minister of Finance, as an integral part of this Regulation of the Minister of Finance.

Article II

1. The provision of Article 80 is removed.
2. Between Article 80 and Article 81, there are inserted 2 (two) articles, namely Article 80A Placed in Chapter XXII and Article 80B placed in CHAPTER XXIII, which reads as follows:

Article 80A

- (1) The business license of Insurer or Re-Insurer which is still valid at the time of promulgation of this Finance Minister Regulation, is declared as remain valid.
- (2) the Insurer or the Re-Insurer that business license is still apply as described in paragraph (1) shall adjust liquidity and liquidity ratios, the form of investment and investment restrictions, general reserves and claims reserves, Productive Business of Gearing Ratio and the total of Gearing Ratio, as well as the value of insurance for Productive Business with provisions as referred to in Article 4 paragraph (1) and paragraph (3), Article 4A paragraphs (1) through paragraph (3), Article 4B paragraph (1) through paragraph (3), Article 42A paragraph (4) and paragraph (5), and Article 44A paragraph (1) Regulation of the Minister of Finance at the latest 2 (two) years as of the date of promulgation of this Regulation of the Minister of Finance.

Article 80B

- (1) The provisions concerning the use of the Insurer agent services by Insurer and the Re-Insurer as defined in Article 3A paragraph (3) entered into force 1 (one) year after promulgation of this Finance Minister Regulation.
- (2) The provisions concerning the amount of paid-up capital or savings principal, special deposit and grants as intended in Article 11 paragraph (2) and paragraph (3) shall be exempted for Insurer or Re-Insurer business license is still valid in when enacted this regulation.



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 19 -

3. This Regulation of the Minister of Finance shall come into force on the date of its promulgation.

For public cognizance, this Regulation of the Minister of Finance shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
on July 8, 2011
MINISTER OF FINANCE
Signed,
AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta
On July 8, 2011
MINISTER OF LAW AND HUMAN RIGHTS
Signed
PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2011 NUMBER 391



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

REGULATION OF THE MINISTER OF
FINANCE NUMBER 99/PMK. 010/2011
CONCERNING AMENDMENT TO
REGULATION OF THE MINISTER OF
FINANCE NUMBER 222/PMK. 010/2008
CONCERNING CREDIT INSURANCE
COMPANY AND RE-CREDIT INSURANCE
COMPANY

APPLICATION FOR BUSINESS LICENSE

Dear.

Minister of Finance of the Republic of Indonesia

c.q. Chairman of the Capital Market Supervisory Agency and Financial
Institution

Gedung Sumitro Djojohadikusumo

Jl. No. Banteng Square Timur. 1-4

Jakarta 10710

Appointing to Regulation of the Minister of Finance Number 222/PMK.
010/2008 on 16 December 2008 concerning the Credit Insurance Company
and Re-insurance Company as amended with Regulation of the Minister of
Finance No. dated, herewith we apply for business license as a
Insurance Company/Re Insurance Company:

Name : PT/Housing/PD/Cooperatives *) Insurance/Re-Insurance

Address:

In order to complete the concerned application, we herewith submit the
following documents:

1. Deed of establishment of PT/Housing/PD/Cooperatives *)
Insurance/Re-Insurance Legal entityincluding statute that
has been approved by the competent authority.
2. Data prospective administrators include:
 - a. latest photographs size 4x6 cm;
 - b. photocopy of identification in the form of National Identity Card (ID
Card) or valid passport applicable;
 - c. curriculum vitae, and
 - d. statement:
 - Not recorded in the list of bad debts in the banking sector;
 - Never been convicted of a crime;
 - Never been declared bankrupt or convicted that resulted in a
company/firm declared bankrupt by a court decision legally
binding;
 - No concurrent position in the surety and/or insurer other than re-
position commissioner/board of trustees/watchdog Insurer Repeat
for Board of Directors/Management;
 - e. Statement or written evidence or assurance experience in banking or
other Financial Institution for 2 (two) years for one of the directors or
administrators;



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 2 -

3. Data shareholders or members in the case of:
 - a. individual, shall be accompanied by the documents as referred to in number 3 item a, item b, and item c, and a statement that does not come from capital injection lending and money laundering;
 - b. Legal entity shall be accompanied by:
 - deed of establishment of legal entity, including the following statute changes which has been approved by the competent authority;
 - financial statements audited by a public accountant and/or financial statements last;
 - documents as referred to in point 2 item a, item b, and item c for holders
shares and the directors or the management
4. The organizational structure that has the function of risk management, financial management functions, service function and the development of information/database is assured;
5. Systems and procedures of Insurance and Re-insurance;
6. Business plan to 3 (three) years that at least include:
 - A feasibility study on market opportunities and economic potential;
 - Planned business activities and the Insurer or the Insurer Repeat steps activity will be made in realizing the plan; and
 - Balance sheet, income statement labs and monthly cash flow for 12 (twelve) months starting from the Insurer and the Insurer Repeat the operations.
7. List of human resource who has experience in the areas of assurance;
8. Copy of proof of payment of minimum capital contribution in the form of deposits on behalf of PT/PD/Housing on one of the commercial banks in Indonesia and certified by the bank receiving payments valid during the license application process;
9. operational readiness of evidence such as:
 - a. Fixed assets inventory list clan;
 - b. proof of ownership, control, or the lease agreement for office premises;
 - c. example of the form, including the Insurance Certificate to be used for operational Insurer/Re-Insurer;
 - d. Tax Payer Identification Number (NPWP).

Thus our application, and thank you.

Board of Directors/Management
PT/Housing/PD/Cooperatives *)
Insurer/Re-Insurer



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

- 3 -

Carbon copy:
Head of Financing and Insurance Bureau

*) cross as necessary

The Minister of Finance

Signed

AGUS D.W. MARTOWARDOJO

MINISTER OF FINANCE,

AGUS D.W. MARTOWARDOJO