

## **Legal Protection for Agents as Business Partners in Insurance Product Marketing Cooperation Agreements Carried Out with Life Insurance Companies (Study of District Court Decision No. 939/Pdt.G/2023/PN-Mdn)**

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### **ABSTRACT**

*This study discusses the regulation of the position of insurance agents as business partners in cooperation agreements with life insurance companies, especially regarding the aspect of legal protection in the event of unilateral termination of the relationship. Although agents are often referred to as "business partners", legally they have the status of representatives of insurance companies based on Law Number 40 of 2014 concerning Insurance and POJK Number 69/POJK.05/2016. This legal relationship is regulated in an agency agreement that contains the rights, obligations, and limits of the agent's authority in marketing insurance products. In practice, unilateral termination of the relationship that is not based on legitimate reasons or does not comply with the agreement has the potential to cause disputes. Agents or business partners who are harmed can claim compensation based on breach of contract (Article 1243 of the Civil Code) or unlawful acts (Article 1365 of the Civil Code). In addition, violations of the principle of fair competition can be reported to the KPPU. Therefore, the cooperation agreement must be drafted clearly and fairly, regulating the time period, termination mechanism, and legal protection. The ultimate goal of this regulation is to create legal certainty, balance of rights and obligations, and protection for all parties involved in life insurance agency relationships.*

**Keywords: Legal Protection, Agent, Insurance.**

### **INTRODUCTION**

Along with the development of the era and the rapid progress of science and technology, human life needs have also increased. This development has also triggered increasingly tight competition in the business world, which indirectly increases the risks faced by humans both to themselves and their property. To overcome these risks, one solution taken is through the insurance mechanism. Insurance is an institution that provides a mechanism for transferring and sharing risk. The existence of insurance provides positive benefits for individuals, the business world, and national development. Individuals who are insured feel more at ease because they get protection from losses, while companies can be more courageous in carrying out business activities because the risk of loss has been transferred to the insurance company. In addition, premiums collected in insurance companies can be used as a source of funds for national development.

Risk itself is an uncertain event and cannot be predicted accurately. Therefore, the emergence of companies that focus on risk management - namely insurance companies - is an inevitable need. Based on the object of protection, insurance is divided into two main types, namely amount insurance and loss insurance. Amount insurance provides protection against human aspects, such as life, health, and accident insurance. Meanwhile, loss insurance provides protection against material losses, such as fire, theft, and crop insurance. In the development of the insurance industry, the presence of insurance agents is very vital. Insurance agents act as

intermediaries between insurance companies and the public. They are tasked with marketing insurance products, providing explanations about the benefits and provisions of the policy, and assisting prospective customers in the policy application process. In this case, agents are the spearhead that determines the success of marketing insurance products.

Despite its important role, the legal relationship between life insurance agents and insurance companies is not always balanced. Problems often arise, especially related to employment contracts that regulate the rights and obligations of both parties. Imbalances are often found in standard contracts that are unilaterally drawn up by the company, which usually benefit the company and harm the agent. Burdensome clauses such as the obligation to pay clawback (return of commission) if the target is not achieved, unilateral termination of employment, and ambiguity regarding commissions and bonuses, are often sources of conflict.

The life insurance industry in Indonesia has experienced significant growth. In 2023, the number of insured people reached 84.84 million people, an increase of 0.5% from the previous year. The total insured amount also increased by 9.4% to IDR5,343.43 trillion, or an average of IDR63 million per individual. When compared to the minimum wage in DKI Jakarta of IDR5.6 million, the insured value is able to support family finances for approximately 12 months if a risk occurs. This growth is certainly inseparable from the contribution of insurance agents. However, rapid development also creates new dynamics, including legal issues. One concrete example is the case of an Allianz insurance agent who, after the company was acquired by Manulife, was promised financing facilities (replacement income). Despite having met the requirements and received transition and monthly bonuses, the agent was then unilaterally terminated and asked to return all of the bonuses by referring to the agent's handbook, without referring to a clear written agreement. This case reflects the weak legal position of agents due to the absence of adequate written employment contracts.

In general, the relationship between agents and insurance companies is built on the basis of partnership. In practice, agents can be independent or exclusive and are given training and compensation in the form of commissions and incentives. However, employment contracts are often made unilaterally, with biased content. In this context, the principle of good faith (*bona fide*) must be the main basis in preparing employment contracts in order to create a balance between the rights and obligations of both parties. The absence of the principle of good faith in the insurance agent employment contract can cause various legal problems, including unilateral termination of employment and unfair dispute resolution. Therefore, there needs to be an update to the legal norms governing the employment relationship between agents and insurance companies. The preparation of fair and transparent contracts, including strengthening supervision by the Financial Services Authority (OJK), is important in order to realize comprehensive legal protection for agents.

Indonesia already has a legal basis in the form of Law Number 40 of 2014 concerning Insurance which regulates the duties and responsibilities of agents as representatives of insurance companies. However, there is a gap between normative provisions and practices in the field, especially in terms of legal protection for agents. This indicates the need for a more progressive and responsive approach to the dynamics of employment relationships in the insurance industry. Through this research, it is hoped that a more professional, balanced working relationship will be created between agents and insurance companies, reflecting the principles of justice in

employment law and contract law.

## **METHODS**

This study uses a juridical-empirical approach with a descriptive nature, which aims to provide an overview and argumentation of the legal problems studied. The approach used is a conceptual approach, by analyzing legal theories and concepts in order to build a deep understanding of the research issues. Data were collected through literature studies to obtain legal theories and concepts, as well as field studies through interviews and questionnaires with agents and customers. In addition, document studies were also conducted on various relevant documents. There are two data sources, namely primary data, in the form of interview results and agency agreements and secondary data, including primary, secondary legal materials, and other references. Data were analyzed qualitatively, by systematically describing information to understand and answer problems scientifically.

## **RESULTS AND DISCUSSION**

### **Results**

#### **Regulation of Agent Position as Business Partner in the Marketing Cooperation Agreement for Life Insurance Products Carried Out with Insurance Companies**

Based on the insurance agency agreement, the agency agreement is authentic evidence of the relationship between the company and the agent in terms of cooperation. The agency agreement is made in written form and regulates all matters relating to the rights and obligations of the parties that have been agreed upon by both parties. Agency agreements are one of the agreements that are often found in practice. Agency agreements are anonymous agreements that are not included in the Civil Code. The legal basis for these agreements is based on freedom of contract, namely in Article 1338 Paragraph (1) of the Civil Code. As long as it meets Article 1320 of the Civil Code regarding the requirements for a valid contract, then this agreement is valid and has legal value. Based on Article 1319 of the Civil Code, which states that: "All agreements, whether they have a specific name or are not known by a specific name, are subject to general regulations."

With an open system, the provisions in Book III of the Civil Code provide freedom to the parties in making agreements. The consequence of this system is that the parties are given the freedom to choose whether or not to use the provisions in the Civil Code. If it is expressly stated that the provisions in Book III of the Civil Code apply, they must obey the agreement. However, it is possible for them to create their own provisions that regulate the rights and obligations of the parties. This deviation is permissible as long as it does not conflict with the law, morality and public order. There are two groups of laws in terms of their nature, namely laws that are mandatory (*dwingenrecht*) and complementary (*aanvullend recht*). Although the provisions in Book III of the Civil Code are generally complementary, it does not mean that there are none that are mandatory. This can be seen for example in Article 1335 of the Civil Code, but indeed most of the provisions in Book III of the Civil Code are complementary, and this is what can be deviated from by the parties, although limited to those that are of a basic nature, while the others are left to the law.

However, in actual practice, both parties are not in a balanced position. Often, the agent

must accept the terms and conditions given by the company absolutely without being able to bargain anymore. This is because the company has prepared standard contract forms, meaning that the agent/distributor who wants to enter into an agreement with the company is bound by the contract forms provided by the company. The background to the creation of a standard contract is to make it easier for the company to run its business, in which the principal company has prepared its product distribution network.

Therefore, to facilitate aspects of understanding transactions, administrative patterns and other problems, the principal company tends to implement a standard contract implementation pattern.

As a distributor of goods and services in the trading system, agents and distributors have various working relationships with various parties, especially with their main partners, retailers and especially producers. If retailers can also be included as agents/distributors, then the agent's position is in the middle between producers and consumers. (Susilo, 2002:5). Despite the differences in concept, there is a prominent characteristic in an agent, namely his role as a "gateway" for goods and services to consumers. This character causes him to have a very close legal relationship with the principal. This legal relationship pattern can be in the form of granting power of attorney as regulated in Article 1792 of the Civil Code and so on.

Agency agreements can be classified into power of attorney agreements (*lastgeving*). *Lastgeving* is the granting of authority to another person to carry out legal acts on behalf of the grantor. In accordance with Article 1792 of the Civil Code, the granting of power of attorney is: "an agreement by which a person grants power to another person who receives it, to and on behalf of him carry out an affair". Based on the principle of consensualism, the agreement to be made by the agent must meet the requirements for the validity of an agreement as stated in Article 1320 of the Civil Code. Thus, indirectly, Article 1338 of the Civil Code applies, which states: "all agreements made legally, apply as laws for those who make them."

The legal basis for an agency agreement is the principle in Book III of the Civil Code which provides freedom of contract and its open nature allows the public to make all kinds of agreements outside of the agreements contained in Book III of the Civil Code. From the description above, it is concluded that an agent in carrying out legal acts with a third party, his position is as the principal's attorney. The agent is not an employee of the principal. Legal acts related to trade transactions that must be carried out by the agent for his principal are regulated in the agency agreement made between the agent and the principal. Usually the agent is given the power and authority to sell and promote the principal's goods. The agency agreement that regulates the agency relationship with the principal is not specifically regulated in the Civil Code. Therefore, the provisions of the agreement in general that are mandatory in the Civil Code also apply to the agency agreement.

According to statutory provisions, provisions concerning the granting of power of attorney will apply to agency agreements, supplemented by several provisions concerning brokers and commissioners and special regulations issued by several technical departments. The agency relationship is a representative relationship because what the agent does is a representation of what the principal intends to do. The characteristics of this relationship give rise to legal consequences that what is the agent's right on one side will become the principal's obligation on the other side, and what is the agent's obligation will automatically also become

the principal's right on the other end. The agent in his activities acts on behalf of his principal based on the granting of power, so the relationship between the agent and the principal is not like the relationship between the employer and the worker. In a labor agreement, what is important is the provision of labor solely to obtain wages, besides that there is a lower position for workers than the employer, where such a thing is not found in the relationship between the agent and the principal. The agent and the principal are on the same level.

### **Limits of Agent's Legal Responsibility as a Business Partner in the Life Insurance Product Marketing Cooperation Agreement**

Law Number 40 of 2014 concerning Insurance in Article 1 states that insurance is an agreement made by two parties, namely there is a mention of the term insurance company as the insurer and the policyholder customer as the insured party. Then related to the responsibility for the insured in Article 246 of the Commercial Law Code it is explained that the insured is obliged to be able to make premium payments to the insurer and in Article 251 of the Commercial Law Code it is explained that the insured is also obliged to provide true notification to the insurer regarding the events that have occurred. (Abdulkadir Muhammad, 1999: 49)

The insurance agreement between the insured and the insurer must fulfill each other's rights and obligations, this is also useful for insurance companies to be able to build trust in the eyes of the general public as an institution that will later collect funds from the public. As one of the parties to the insurance agreement, the insured who holds the insurance policy will of course also have rights and obligations, namely the right to be able to receive insurance claims from the insurance company as the insurer and has the obligation to pay the insurance policy according to the costs that have been previously agreed upon with the insurance agent. (Fanisyah Fazri and Lili Kurniawan, 2021: 134).

The legal relationship that will be created between the company as the underwriter and the insurance agent is the existence of a representative where the agent will act for and on behalf of the underwriter and in it there is also an element of buying and selling because the underwriter will give the agent authority for insurance products from the underwriter, this legal relationship will later be known as an agency agreement. (Suharnoko, 2004: 41). The implied agency agreement has also been explained regarding its agreement in Article 1338 of the Civil Code which states "All agreements made in accordance with the law apply as laws for those who make them. The agreement cannot be withdrawn except by agreement of both parties, or for reasons determined by law and the agreement must be carried out in good faith. " So it can be interpreted that agents in working must uphold the principle of good faith in all insurance agreement activities with the insured party.

In relation to the unlawful act committed by the agent where this violates the principle of good faith in the insurance agreement of the insured party and violates Article 28 paragraph 4 and 5 of Law No. 14 of 2014 concerning Insurance, the result will be sanctions due to the norms that are violated, with the sanctions that arise for agents who commit such acts as are expressly stated in Article 19 paragraph (1) of Law Number 8 of 1999 concerning Consumer Protection which states that business actors are obliged to be responsible for being able to provide compensation for damage, pollution and/or consumer losses due to consuming goods and/or services produced or traded. Furthermore, in Article 19 paragraph (2) of Law Number 8 of 1999



concerning Consumer Protection, it is stated that guidelines regarding the amount, form or shape of compensation can be in the form of a refund, replacement of goods and/or services of equivalent value or provision of compensation in accordance with applicable statutory provisions. It should be noted that the business actors previously discussed in this case can also be associated with insurance agents as representatives of insurance companies as the underwriters.

In essence, the insured party will certainly receive legal protection such as from various laws and regulations such as in the Civil Code, Commercial Code, Law No. 21 of 2011 concerning the Financial Services Authority, Law No. 40 of 2014 concerning Insurance, Law No. 8 of 1999 concerning Consumer Protection and in the Financial Services Authority Regulation No. 1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector. (Fajrin Husain, 2016). However, one form of legal protection for life insurance insured when the agent commits an unlawful act in the form of taking the insured's funds without prior notification, then the insured can take legal action in the form of using a settlement through a judicial body such as filing a lawsuit through the court, which may be the last step that can be taken by the insured as a victim because with a simple way such as having good intentions trying to collect from the agent which will be quite difficult and evasive, or collecting from the company which tends to throw the insured's opinion to the insurance agent because they feel that they are not guilty and do not interfere.

From the description above, it can be concluded that the agent is only an intermediary in the claims process and does not have the authority to approve or reject claims. The agent's responsibility is limited to providing correct information to the insured and assisting in the claims administration process. Agents can be subject to civil and criminal sanctions if proven to have made mistakes that are detrimental to the insured, such as providing false information or committing fraud. If a dispute occurs, the settlement can be done through the courts, OJK, or BMAI, depending on the level of the problem that occurs.

### **Legal Protection for Agents as Business Partners in Cases of Unilateral Termination of Life Insurance Marketing Agreement Cooperation by Life Insurance Companies**

One interesting thing about insurance agency agreements, even though the position is as a party outside the insurance company (company partner), which at first glance can be concluded to have an equally high or equal relationship with the insurance company, in general, insurance agency agreements are made unilaterally by the insurance company in a standard agreement (standard agreement). The law does not explicitly prohibit the holding of standard agreements, but because the contents or clauses of the agreement are made unilaterally, of course the position of the insurance agent is below the position of the insurance company. In this case, the position of the insurance company is more a priori, has the power to determine the contents of the agreement clauses and the insurance agent is closed to negotiating the clauses of the agreement so that the insurance company tends to benefit more in many ways.

A real example, many found in agency agreements contain clauses that in essence the insurance company can unilaterally terminate the agency relationship without having to pay what should be the rights of an agent. This clause, in contract law, is called an exoneration clause, namely an agreement clause that contains the reasons for one party to avoid the obligation to pay

full or limited compensation that occurs due to a broken promise or unlawful act. With this exoneration clause, it is possible that only on the grounds that the agent's performance is unsatisfactory, the insurance company can unilaterally terminate the agency relationship without paying/providing compensation that should be the rights of an agent. Then, with the inclusion of the exoneration clause, can an insurance agent who is unilaterally terminated still claim his rights? The answer is, the insurance agent can still sue the insurance company as long as the insurance agent can prove that:

1. The principle of good faith, namely the desire of insurance agents to promote insurance contracts openly and honestly in a good manner to potential insurance customers, especially life insurance.
2. The principle of the unilateral termination clause for the agency relationship is contrary to morality, so the clause is void according to law.
3. The unilateral termination clause is created by abusing the circumstances of the agreement, so that the clause can be legally canceled.
4. The implementation of unilateral termination of the agency relationship should be notified properly and appropriately.

An agreement in a contract is the fulfillment of the legal provisions of an agreement with its terms, not the opposite, such as not fulfilling or failing to carry out obligations as specified in the agreement made between the creditor and the debtor. (Soesila Prayogo, 2007: 501).

Freedom of contract is based on the position of both parties being equally strong, having the same bargaining position, so that each party is positioned as a contract partner. In reality, this is not the case, in making a contract, each party, especially the party in a strong economic position (life insurance company) tries to seize dominance over the other party and face each other as contract opponents (financing agents). The party in a stronger position can force its will on the other party for its own benefit, thus giving rise to the contents and conditions of the contract that are one-sided or unfair. In fact, justice in contracting is more manifested when the exchange of interests of the parties is distributed according to their rights and obligations proportionally. Therefore, it must always be remembered that the preparation of a contract always starts from a win-win solution attitude, namely an attitude based on the intention that the contract will be mutually beneficial as much as possible.

Although contract law allows room for maneuver and strategy in the negotiation stage, the fundamental principle that cannot be negotiated is good faith. Without good faith, the validity of the contract and its implementation can be questioned and even canceled by the court, as stated in Article 1338 of the Civil Code. That is why, the starting point of every contract is actually good faith (utmost good faith), even though its preparation may involve tactics and strategy. (Seifanus Zai, 2020: 162-163).

A contract can be formed as long as there is an agreement on the principle of consensualism, it does not mean that after this agreement the contract is absolutely binding, because there can also be defects during the agreement process which in Indonesian law is better known as defects of will (Article 1321 BW). In relation to the reasons for canceling the agreement, in addition to bedreiging (threats), bedrog (fraud), and dwaling (misleading). Dutch law as a country whose civil law basis was adopted by Indonesia because of the principle of concordance, has included a teaching, namely *Misbruik van Omstandigheden* (abuse of

circumstances). In the provisions of Dutch law, especially in the Burgerlijk Wetboek (BW), this abuse of circumstances is regulated in article 3:44 Volume 1 BW. (Fani Martiawan Kumara Putra, 2015)

Article 1320 of the Civil Code states that for an agreement to be valid, four conditions are required, namely:

1. Agree those who bind themselves
2. Ability to make a contract
3. A certain thing
4. A lawful cause

Article 1321 of the Civil Code "No agreement is valid if the agreement is given due to error, or is obtained through coercion or fraud."

Agreements containing elements of error (*dwaling*), fraud (*bedrog*) or coercion (*dwang*) are considered agreements that are defective in will. Defective will (*wilsgebreken* or defect of consent) is a defect in the formation of an agreement in a life insurance contract or agreement that makes the agreement between the financing agent and the life insurance company imperfect. Agreements containing defective will appear to have an agreement, but the agreement was not formed based on free will (here there is a threat of arbitrary dismissal by the life insurance company against the financing agent). This means that one party in making the agreement feels limited by something.

Based on Article 1266 of the Civil Code, "The condition of cancellation is always considered to be included in a reciprocal agreement, if one of the parties does not fulfill its obligations. In such a case, the agreement is not void by law, but cancellation must be requested to the Court." Based on Article 1267 of the Civil Code, "A party to whom an obligation is not fulfilled may choose to force the other party to fulfill the agreement, if this can still be done or demand the cancellation of the agreement, with compensation for costs, losses and interest." Article 1365 of the Civil Code concerning the elements of an unlawful act states, "Every unlawful act that causes loss to another person, requires the person whose fault it is that causes the loss to compensate for the loss."

The Civil Code does not adopt the principle of *justum pretium*, which is the principle that requires that a reciprocal agreement meet the requirements of balance of performance and counter-performance. Therefore, the existence of unbalanced performance and counter-performance is not enough to prove the existence of abuse of circumstances. Unbalanced performance and counter-performance is only one indicator that must be proven further whether the emergence of the circumstances was preceded by abuse of circumstances. It must be proven that the striking imbalance of performance occurred due to pressure of circumstances, which was abused by one party (the financing agent who had worked as hard as possible was immediately fired arbitrarily/his contract was abused by the life insurance company). Pressure of circumstances and imbalance alone are also not enough, what is important is to prove the existence of abuse of economic or psychological circumstances. ((Satrio, 2001).

Unilateral termination of a partnership business can result in losses for one of the parties. Therefore, it is important for every business actor to ensure that the partnership agreement is clearly drawn up, including a dispute resolution mechanism. In the event of an unlawful termination, various legal protection mechanisms are available to uphold justice and restore the



rights of the injured party. Unilateral termination of business relationships can occur in various forms, such as termination of a contract without notice, violation of the terms of the agreement, or takeover of the business by one party without mutual agreement. In facing this situation, the injured party has several dispute resolution options, both through non-litigation and litigation. Non-litigation paths that can be taken include negotiation, mediation, and arbitration. Negotiation is the first step to reach a mutual agreement without third party interference. If negotiation does not produce results, mediation with the help of an independent mediator can be an alternative. Meanwhile, if the agreement includes an arbitration clause, then dispute resolution can be carried out through an arbitration institution such as the Indonesian National Arbitration Board (BANI), which provides a final and binding decision.

If the non-litigation path is unsuccessful, the injured party can take the litigation path through the courts. A civil lawsuit can be filed based on breach of promise or unlawful acts in accordance with the provisions of the Civil Code. In addition, if the termination of the relationship contains elements of unfair business competition, a complaint can be filed with the Business Competition Supervisory Commission (KPPU). The Commercial Court can also be a forum for resolution if the case relates to bankruptcy or more complex business aspects.

To prevent future disputes, business actors are advised to draft a clear and legally binding partnership agreement. Clauses covering dispute resolution mechanisms, rights and obligations of each party, and terms of termination of the business relationship must be carefully formulated. In addition, good documentation and transparent communication between business partners can also help avoid disputes. With clear legal protection and available dispute resolution mechanisms, it is hoped that any termination of business relationships can be carried out fairly and in accordance with applicable provisions, thereby creating a healthy and sustainable business climate.

## **Discussion**

The regulation of the position of agents as business partners in cooperation agreements with life insurance companies is based on Law Number 40 of 2014 concerning Insurance and POJK Number 69/POJK.05/2016. Although in practice agents are often referred to as "business partners", legally they have the status of representatives (agents) who work for and on behalf of insurance companies. This relationship is stated in an agency agreement that regulates the rights, obligations, and limits of the agent's authority in marketing insurance products. The agent's actions carried out within the scope of his/her authority bind the company, and all agent activities must meet the principle of good faith and be subject to OJK supervision. In a cooperation agreement, the legal relationship between the agent as a business partner and the insurance company must be based on the principle of clarity of rights and obligations, as well as legal certainty as regulated in the Civil Code (KUHPperdata), Law Number 40 of 2014 concerning Insurance, and the regulations of the Financial Services Authority (OJK).

In addition, the cooperation agreement must contain provisions regarding the term of cooperation, the mechanism for terminating the relationship, and legal protection for both parties. In the event of unilateral termination of the relationship by the insurance company, the business partner can file a lawsuit based on the principle of default or unlawful acts. Thus, the regulation of the position of business partners in cooperation with insurance companies must have a strong

legal basis to ensure transparency, balance of rights, and legal protection for the parties involved. In a life insurance agreement, the legal liability limits of business partners and agents towards the insured depend on the role and authority granted by the insurance company. Business partners, such as banks in a bancassurance scheme, usually act as marketing intermediaries and are not directly responsible for payment of insurance claims or benefits. Their responsibility is limited to delivering product information in accordance with the cooperation agreement with the insurance company.

Meanwhile, insurance agents have a greater responsibility in providing accurate information to prospective insured regarding policies, premiums, benefits, and insurance risks. However, agents are not responsible for claim payment obligations, because claim decisions are entirely in the hands of the insurance company. If there is an error in delivering information or sales practices that are detrimental to the insured, the agent can be held liable under the provisions of insurance law and consumer protection. Overall, both business partners and agents are required to carry out their roles in good faith and transparency, while the main responsibility remains with the insurance company as a provider of protection for the insured.

Legal protection for agents as business partners in cases of unilateral termination of the relationship by a life insurance company is based on the provisions of the cooperation agreement, civil law, and insurance regulations. If the termination of the relationship is carried out without a valid basis or violates the agreement, business partners and agents can file a lawsuit based on breach of contract (Article 1243 of the Civil Code or an unlawful act (Article 1365 of the Civil Code). In addition, if the termination of the relationship has an impact on unfair business competition or is detrimental to the rights of agents, a complaint can be filed with the Business Competition Supervisory Commission (KPPU) or the Financial Services Authority (OJK). Dispute resolution mechanisms such as negotiation, mediation, or arbitration can also be used in accordance with the clauses in the agreement. Thus, legal protection aims to ensure that the termination of the relationship is carried out fairly and in accordance with applicable regulations.

## CONCLUSION

Based on the descriptions and discussions of the research results, the following conclusions can be drawn:

1. To ensure that the agent's position as a business partner in a cooperation agreement with an insurance company remains strong and protected, a clear agreement must be made by regulating rights, obligations, and a fair termination mechanism. The agreement must comply with applicable regulations, such as the Insurance Law and OJK regulations, in order to avoid potential violations of the law.
2. Agents as business partners in insurance must ensure transparency in conveying information to the insured to avoid misunderstandings that can lead to disputes. They must comply with insurance regulations and business ethics, and ensure that all marketing materials and product explanations are in accordance with the provisions of the insurance company. In addition, agents need to carry out their duties with professionalism, while business partners must limit their involvement according to the cooperation agreement so as not to incur unnecessary legal responsibilities.

3. Agents as business partners must ensure that the cooperation agreement with the insurance company includes a fair termination clause and a dispute resolution mechanism. If there is a unilateral termination that is detrimental, they can take legal action based on the agreement, the Civil Code, or report to the OJK and KPPU. In addition, maintaining good documentation and understanding their legal rights will help in dealing with potential disputes with insurance companies.

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