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Judicial Legal Reasoning on Conflicting Civil Decisions concerning PT Jiwasraya's Provident Saving Plan Claims

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Abstract: PT Asuransi Jiwasraya (Persero) defaulted on claims associated with its Provest Saving Plan (JS Saving Plan), an investment-linked insurance product promoted via bancassurance, which guaranteed returns that it ultimately failed to deliver, resulting in significant losses for policyholders and the government. The default resulted in two judicial rulings derived from distinct procedural methods that yielded contradictory results: Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst, adjudicated by a small claims process for breach of contract, and Decision Number 759/Pdt.G/2021/PN.Jkt.Pst, resolved through a standard civil action for an unlawful act. This study explores PT Asuransi Jiwasraya's legal responsibilities to Provest Saving Plan policyholders and evaluates the judicial rationale employed in both decisions through a normative legal framework grounded in statutory and case law studies. This study distinguishes itself from prior research, which mainly focuses on the Jiwasraya case through the lenses of corporate governance, financial regulation, or criminal accountability, by comparatively analyzing two contradictory civil judgments stemming from the same insurance dispute to establish a more coherent standard for interpreting dispute-resolution clauses in insurance contracts. The findings indicate that PT Asuransi Jiwasraya holds multifaceted legal liability due to the default of the Provest Saving Plan, which includes contractual duties as well as regulatory and criminal ramifications. The analysis highlights a critical contradiction in judicial reasoning over the interpretation of the term "may" (dapat) inside the dispute-resolution clause. One court construed the clause as discretionary and upheld the claim, while the other regarded it as a compulsory procedural prerequisite, deeming the action premature and inadmissible. The study concludes that judicial protection prioritizing policyholders' rights more accurately embodies the principles of corrective and procedural justice, and that a consistent interpretation of dispute-resolution clauses is essential to enhance legal certainty and consumer protection in insurance disputes.

Keywords: Insurance Dispute; Consumer Protection; Consumer Protection; iwasraya ; Small Claim Court

INTRODUCTION

The insurance sector in Indonesia is crucial in providing financial protection against risks such as mortality, property loss, and accidents. Nonetheless, the execution of insurance contracts frequently deviates from the stipulated terms, resulting in disputes between the insured and the insurer manifested as defaults. Defaults, frequently arising from discrepancies in contract interpretation, claim denials, or policyholder failures, lead to legal challenges, particularly about claim payments. (Ali, 2022). This undermines policyholders and diminishes public trust. Data indicates a rise in court conflicts, highlighting the necessity for an assessment of insurance rules and regulations in Indonesia. (Novianty & Simanjuntak, 2024).

Defaults in insurance claims are a persistent problem in Indonesia's financial services sector; nonetheless, the fall of PT Asuransi Jiwasraya (Persero) stands out as one of the most notable collapses in the nation's insurance industry. In 2018, Jiwasraya defaulted on matured claims associated with its JS Saving Plan product, resulting in unpaid liabilities surging from IDR 802 billion to around IDR 12.4 trillion by the conclusion of 2019. The Supreme Audit Agency (BPK) reported that inadequacies in the company's financial and investment management resulted in public losses totaling IDR 16.81 trillion (Badan Pemeriksa Keuangan Republik Indonesia, 2020). In addition to its financial ramifications, the case revealed essential legal concerns regarding insurers' contractual duties, consumer protection, and judicial uniformity in adjudicating insurance conflicts (Badan Pemeriksa Keuangan Republik Indonesia, 2020). This situation worried millions of individuals, as customers are entitled to legal protections as consumers of financial services. (Inayah & Marsitiningsih, 2021).

Soetjipto Raharjo defines legal protection as the safeguarding of human rights (HAM) that have been violated by others, ensuring that the community can fully enjoy the rights conferred by law. The law can facilitate protection that is adaptable, flexible, predictive, and anticipatory. Law is essential for the socially, economically, and politically disadvantaged to achieve social justice. (Masnun, 2018).

The Provest Saving Plan, internally referred to as the JS Saving Plan, is an investment-linked insurance policy (PAYDI) offered through the bancassurance channel. It offered a combined benefit of life insurance and a guaranteed yearly return of around 9%–13%, significantly surpassing the prevailing national bank deposit rate of 5.2%–7% (Pratama, 2019). To achieve significant profits, premium funds were deliberately invested in high-risk equities ("saham gorengan," or manipulative penny stocks) and inferior mutual funds, leading to a negative spread and an asset-liability mismatch that finally resulted in default. Insurance analysts consider a product with such a significant guaranteed return unsuitable, as "insurance serves as a risk manager, not an investment manager. (Reynas Abdila et al., 2020).

The legal connection between the consumer and Jiwasraya is defined by a mutual insurance contract. Upon the customer's remittance of the premium, Jiwasraya is legally compelled to fulfill the customer's rights to the investment benefit and life coverage as delineated in the policy. The inability to resolve claims creates a default (wanprestasi, Article 1243 of the Indonesian Civil Code) and signifies a breach of the concept of pacta sunt servanda. This issue is intensified by the customer's subordinate status within the context of a standard-form contract (adhesion contract). Although Jiwasraya is a State-Owned Enterprise, its legal responsibilities align with those of a corporation as outlined in Article 31 of Law Number 40 of 2014 on Insurance, which requires the prompt and fair settlement of claims.

The Jiwasraya matter has entered the judiciary through many lawsuits filed by policyholders of diverse classes. This paper primarily examines two cases that illustrate the duality of legal instruments pursued by clients, leading to contradictory verdicts. Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst was based on a Small Claims Court proceeding for default. The ruling affirmed the claim and required Jiwasraya to disburse the principal sum. Conversely, Decision Number 759/Pdt.G/2021/PN.Jkt.Pst involved a conventional case based on a tortious act. This lawsuit was considered inadmissible because of its premature character. The inconsistency in outcomes on a similar issue creates legal uncertainty for many other policyholders. It is imperative to examine the ratio decidendi of both judgments.

Recent international literature has increasingly examined insurance disputes via the perspectives of consumer protection, contractual interpretation, and judicial adjudication. Recent studies indicate that insurance contracts exhibit information asymmetry and standardized clauses, making policyholders particularly vulnerable when insurers employ restrictive interpretations of policy wording or dispute-resolution processes. Judicial reasoning is essential in harmonizing contractual autonomy with the principles of good faith, legal certainty, and consumer protection. Comparative jurisprudence demonstrates that varying judicial interpretations of similar contractual clauses can undermine predictability and public confidence in the adjudication of insurance claims.

Contemporary scholarship on the Jiwasraya case has predominantly examined the conflict from institutional and regulatory perspectives. (Saputra et al., 2025) Analyze the government's legal remedies for the Jiwasraya matter, highlighting the necessity for corporate governance reform, fiduciary accountability, legal precision, and governmental strategies designed to restore public trust. (Kushertin et al., 2024) Analyze consumer legal protection primarily through financial-sector legislation, the supervisory role of the Financial Services Authority (OJK), and legislative changes following the Jiwasraya incident. Although these studies substantially improve the understanding of the regulatory and institutional dimensions of the case, neither examines how Indonesian civil courts have interpreted and resolved difficulties arising from the same insurance product through diverse procedural methods. No previous research has comparatively analyzed the divergent judicial reasoning in Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst and Decision Number 759/Pdt.G/2021/PN.Jkt.Pst, especially regarding the interpretation of the same dispute-resolution clause that resulted in different legal outcomes. This unsolved issue constitutes the principal research gap that this study addresses.

This study addresses the research gap by providing an original contribution through a comparative analysis of two contradictory district court rulings stemming from the same Jiwasraya insurance dispute. This paper analyzes the insurer's legal obligations via the framework of private law, rather than concentrating on corporate governance or regulatory reform, and assesses how varying judicial readings of the same dispute-resolution clause resulted in divergent legal consequences. This paper integrates contract law, insurance law, and judicial reasoning to establish a cohesive framework for understanding dispute-resolution agreements, thereby enhancing legal certainty and consumer protection in insurance disputes.

This research examines two principal issues: (1) the legal responsibilities of PT Asuransi Jiwasraya towards the policyholders of the Provest Saving Plan product in the event of default; and (2) the reasoning utilized by the judges in adjudicating Case Number 05/Pdt.G.S/2021/PN.Jkt.Pst and Decision Number 759/Pdt.G/2021/PN.Jkt.Pst.

METHOD

This study employs normative juridical legal research, scrutinizing legal issues by examining legal norms, principles, and doctrines derived from legislation, court decisions, and legal scholarship (Soerjono Soekanto dan Sri Mamudji, 2007). The study incorporates three synergistic methodologies. The statutory approach is employed to examine the legal framework regulating insurance contracts and consumer protection, encompassing the Indonesian Civil Code, the Commercial Code, Law Number 40 of 2014 on Insurance, Law Number 8 of 1999 on Consumer Protection, OJK Regulation Number 71/POJK.05/2016, and OJK Circular Letter Number 5/SEOJK.05/2022. The case technique is utilized to analyze the legal rationale (ratio decidendi) established in Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst and Decision Number

759/Pdt.G/2021/PN.Jkt.Pst. Third, a conceptual framework is employed to examine the theories of contractual liability, consumer protection, pacta sunt servanda, legal certainty, corrective justice, and judicial reasoning as analytical tools for assessing the courts' interpretations (Mahmud, 2016).

The statute and case law methodologies are synthesized by assessing the degree of alignment between judicial reasoning and relevant legislative regulations and recognized legal principles. This study comparatively analyzes the interpretations of identical contractual provisions, specifically the dispute-resolution clause, by each court and evaluates whether these interpretations align with the established principles of insurance law, contract law, and consumer protection.

The two judicial decisions were intentionally chosen as they pertain to the same insurance product, involve largely analogous legal relationships between PT Asuransi Jiwasraya and its policyholders, and interpret the identical dispute-resolution clause, yet yield conflicting legal results through distinct procedural mechanisms, specifically the Small Claim Court procedure and ordinary civil litigation. This distinctive trait offers a suitable foundation for performing a comparative analysis of judicial reasoning and pinpointing elements that lead to legal inconsistency.

Legal resources encompass main legal materials (legislation and judicial rulings), secondary legal materials (academic texts, journal articles, and legal analyses), and tertiary legal materials. The gathered legal resources are examined utilizing qualitative legal reasoning via descriptive, interpretative, argumentative, and prescriptive methodologies. The analysis centres on interpreting statutory provisions and contractual clauses, developing legal arguments grounded in legal doctrines and judicial precedents, and proposing normative recommendations to enhance legal certainty and bolster consumer protection in insurance dispute resolution.

RESULTS AND DISCUSSION

The Legal Responsibility of PT Asuransi Jiwasraya Toward Provest Saving Plan Policyholders in the Default Case

a. The Legal Relationship in the Provest Saving Plan Insurance Contract

The policy serves as evidence of the agreement between the insurer and the insured, establishing the legal relationship in insurance. Both parties possess rights and obligations stemming from this reciprocal relationship. Sri Rejeki Hartono asserts that the insurance promise constitutes a civil obligation (civil verbintenis) with significant legal implications, encompassing both a debt component (schuld) and a liability component (haftung), thereby facilitating the enforcement of any default by legal remedies. (Hartono, 2008). According to Article 257 of the Commercial Code, the legal connection of insurance is established through mutual consent, rather than the issue of the policy, due to the consensual nature of the insurance contract.

The Provest Saving Plan contract satisfies the criteria of an insurance contract as delineated in Article 246 of the Commercial Code and Article 1, number 1 of Law Number 40 of 2014, specifically regarding the involved parties (Jiwasraya and the customer), the premium (single premium), the insurance subject (the insured's life and the investment benefit), the contingent event, risk transfer, and the indemnity clause. A distortion is evident: the life-protection aspect is negligible, while its main attraction is the assurance of a fixed yearly return of 9%–13%, rendering its economic characteristics akin to a deposit disguised as insurance rather than a genuine protection product. (Reynas Abdila et al., 2020). The Provest Saving Plan insurance is a standardized contract that places the policyholder at a disadvantage in negotiations, vulnerable to asymmetric information, thus requiring certain legal protections under Insurance Law, Consumer Protection Law, and OJK regulation.

The hybrid characteristics of the Provest Savings Plan yield significant legal ramifications for consumer protection and insurance liability. Although classified as an insurance contract, the product was predominantly marketed and perceived as an investment instrument offering guaranteed returns, leading to considerable knowledge asymmetry between Jiwasraya and its subscribers. Under these circumstances, policyholders occupy a structurally disadvantaged position as they rely on the insurer's claims on the nature, dangers, and feasibility of the promised benefits. Consequently, the legal relationship must be assessed not only from the standpoint of contractual autonomy but also in relation to consumer protection, transparency, and overarching good faith. This situation underscores the need for statutory protections under the Insurance Law, the Consumer Protection Law, and OJK supervision, particularly where the insurer fails to provide enough transparency or fulfill its contractual obligations. Thus, any failure to distribute policy benefits constitutes a breach of contract and may incur significant legal consequences, including administrative, civil, and regulatory responsibilities arising from the insurer's commitment to protect policyholders as consumers of financial services. (Candra & Djajaputra, 2025).

From a normative perspective, the legal relationship between Jiwasraya and its policyholders extends beyond a simple contractual association governed by the principle of contractual freedom. Insurance contracts are standardized agreements characterized by structural inequality, where policyholders possess limited negotiation power and primarily depend on the insurer's disclosure of relevant information. Consequently, contractual autonomy must be interpreted alongside the norms of good faith, transparency, and consumer protection. The Jiwasraya case illustrates that simple compliance with contractual obligations is insufficient when the insurer intentionally designs a product with assured returns that cannot be credibly supported by prudent investment techniques. In some instances, the insurer's obligation extends beyond mere breach of contractual duties and indicates a broader failure to maintain the protective intent of insurance law. The dispute should be viewed not merely as a breach of contract but as a sign of systemic failure that necessitates enhanced legislative protections for policyholders.

b. Breach of the Prudential Principle and Good Corporate Governance

The Jiwasraya case established a standard for the application of two fundamental principles in the insurance industry: the prudential principle and effective corporate governance. Article 21, paragraph (3) of the Insurance Law requires insurers to comply with the prudential principle and match assets with obligations while investing policyholders' funds. OJK Regulation Number 71/POJK.05/2016 mandates a minimum solvency level (Risk-Based Capital/RBC) of 120%, establishes investment restrictions, and empowers OJK to force the transfer of the insurance portfolio (Article 54). The obligation to enforce GCG is delineated in Article 11, paragraph (1) of the Insurance Law, in conjunction with OJK Regulation Number 73/POJK.05/2016, which emphasizes the ideals of transparency, accountability, responsibility, independence, and justice.

The core issue was the adverse spread: the anticipated return (9%–13%) was significantly beyond the actual investing capability. To address this, management allocated resources to manipulate penny stocks such as PT Sugih Energy Tbk (SUGI), PT Trikomsel Oke Tbk (TRIO), and PT Eureka Prima Jakarta Tbk (LCGP), as well as to 28 mutual fund products, 20 of which have a stock allocation above 90% and were of inferior quality. (Ridwan & Gultom, 2024). This operational method involved stock trading via negotiations with associated entities (Benny Tjokrosaputro and Heru Hidayat), the obfuscation of illiquid equities through mutual funds, and the falsification of financial accounts (window dressing). Consequently, by September 2019, Jiwasraya's equity was documented as negative IDR 23.92 trillion. These actions clearly contravened Articles 246 and 251 of the Commercial

Code, multiple articles of the Insurance Law (Articles 11, 19, 21, 22, and 31), the Consumer Protection Law, and OJK Regulation Number 71/POJK.05/2016.

c. Forms of PT Asuransi Jiwasraya's Legal Responsibility

Legal responsibility, as defined by Hans Kelsen, is the state in which an individual may face a consequence due to their actions violating a legal standard. Kelsen identifies four categories of responsibility: individual, collective, fault-based, and absolute responsibility. (Kelsen, 2019). This framework was formulated by Abdulkadir Muhammad within the realm of Indonesian positive law, categorizing culpability for unlawful conduct into intentional tort liability, negligent tort liability, and strict liability. (Muhammad, 2021). Based on these two conceptions, Jiwasraya's legal obligations are multifaceted and encompass three realms.

Hans Kelsen's theory offers a valuable analytical framework, as legal responsibility encompasses not only the identification of legal violations but also the legal ramifications associated with various types of unlawful behaviour. In this instance, Jiwasraya's liability cannot be confined to a singular category of accountability. The company's inability to fulfill policy claims stemmed from contractual responsibilities while concurrently breaching statutory duties related to prudential management, consumer protection, and financial oversight. As a result, a single illegal action produced numerous legal ramifications across various fields of law. This illustrates that Kelsen's notion of legal responsibility operates not only as a theoretical categorization but also as an explanatory framework for comprehending the coexistence of contractual default, regulatory sanctions, and criminal accountability without contravening the principle of legal certainty.

1) Civil liability mandates that Jiwasraya must disburse all matured policy claims along with the cash value (the principal premium) and the guaranteed return. This obligation is founded on two principles: contractual liability as stipulated in Article 1338 of the Civil Code alongside Article 246 of the Commercial Code, since the policy serves as law for the parties; and tortious liability as outlined in Article 1365 of the Civil Code in conjunction with Article 19 of the Consumer Protection Law. The company's liability to policyholders is absolute, so it does not necessitate evidence of negligence on the consumer's side, according to the reversed burden of proof stipulated in Article 28 of the Consumer Protection Law (Miru, 2013).

   The characterization of the insurer's liability as strict liability should be approached with caution. Indonesian private law typically does not acknowledge strict liability as the standard foundation for contractual obligations. Strict liability primarily arises under particular statutory frameworks or when the law explicitly reallocates the burden of proof. Article 28 of the Consumer Protection Law establishes a reversal of the burden of proof in consumer protection cases, obligating commercial entities to prove their lack of guilt. Thus, Jiwasraya's obligation is more accurately perceived as a type of augmented consumer duty founded on the legislative distribution of evidential burdens, rather than as absolute culpability in the traditional tort framework. This view aligns more consistently with Indonesian civil law while providing adequate protection for policyholders in a structurally inferior negotiating position.
2) Criminal responsibility. This liability is personal and pertains to directors who intentionally committed an unlawful act, as the investment of policyholders' funds in manipulated penny stocks was executed through price negotiations with affiliated entities. Directors who deliberately engage in detrimental investments may face charges under Article 75 of the Insurance Law, as evidenced by Supreme Court Decision Number 3714 K/Pid.Sus/2021 in the Corruption Case of PT Asuransi Jiwasraya (Persero) (Supriyanto, 2024).

3) Administrative accountability, The OJK, as the regulatory authority, imposed sanctions comprising an administrative fine of IDR 175 million for the delayed submission of the 2017 financial statements; a directive to formulate a financial recovery plan; a mandate to transfer the insurance portfolio to PT Asuransi Jiwa IFG (IFG Life) pursuant to Article 54 of OJK Regulation 71/2016 via OJK Letter Number S-387/NB.2/2021; and the revocation of Jiwasraya's business license on 16 January 2025, followed by the company's dissolution through the General Meeting of Shareholders (GMS) on 22 January 2025 (Nurainiyah et al., 2024).
4) The execution of that civil liability encountered the unilateral restructuring scheme executed by transferring policies to IFG Life, which was perceived as diminishing policyholders' benefit rights and presenting only the options of "accepting with a reduction in value" or "rejecting," without engaging policyholders as affected parties (Deriyanti et al., 2022). Consequently, the enforcement of policyholders' rights in the context of restructuring often necessitates legal proceedings, as illustrated by civil lawsuits that compel Jiwasraya to compensate for losses resulting from the failure to honor insurance claims.

Judicial Legal Reasoning in Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst and Decision Number 759/Pdt.G/2021/PN.Jkt.Pst

a. The Facts of the Two Decisions

Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst was a minor litigation adjudicated by Single Judge Dariyanto, S.H., M.H., between Yachiyo Ishibashi (Plaintiff) and PT Asuransi Jiwasraya (Defendant). The Plaintiff, a retiree, invested IDR 500,000,000 from Old-Age Security into Provest Saving Plan Policy Number RA010110982, which guaranteed an annual investment return of IDR 35,000,000 over a one-year term, maturing on 20 October 2018. After maturity and three notifications, the Defendant continued to neglect payment of the principal premium. To maintain the claim value under the IDR 500,000,000 limit, the Plaintiff requested the reimbursement of the principal premium.

In contrast, Decision Number 759/Pdt.G/2021/PN.Jkt.Pst was a standard lawsuit (subjective joinder) initiated by eighteen policyholders for an unlawful act (Article 1365 of the Civil Code) against seven defendants — Jiwasraya, the Minister of State-Owned Enterprises, the OJK, four bancassurance distributor banks, and the Minister of Finance as a co-defendant. The purported total losses amounted to IDR 25.4 billion. The immediate catalyst for the lawsuit was the unilateral restructuring proposal, which suggested a return with a reduction of up to 31% and interest-free installments extending up to 15 years.

b. Legal Reasoning in Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst

Before evaluating the merits, the Judge scrutinized the Defendant's assertions of utter incompetence and prematurity, which pertained to the dispute-resolution clause in Article 25 of the General Policy Terms. The Judge construed the phrase literally: due to the use of the term "may" (rather than "must"), the section was permissive and merely offered an option of forum, not an unequivocal requirement. In accordance with the freedom-of-contract concept (Article 1338 of the Civil Code) and the constitutional right to seek justice, the Plaintiff was entitled to select the judicial avenue, so the objections were dismissed.

The Judge evaluated the merits by applying the three criteria for default as stipulated in Articles 1238 and 1243 of the Civil Code: the existence of a legitimate contract, the failure to fulfill the duty, and the presence of a summons or the expiration of the stipulated time period. All three criteria were considered fulfilled. Two significant rejections substantiated this conclusion. The payment of interest amounting to IDR 35,000,000 was determined not to discharge the principal obligation, since the two commitments are independent of one another. Secondly, all claims about restructuring and liquidation (Exhibits T-1 through T-22) were dismissed, since the policy imposed no responsibility on the Plaintiff to participate in restructuring and contained no stipulation that premium payment would be contingent upon the settlement of problematic assets. Consequently, the Judge fully granted the claim, declared the Defendant in default, and mandated the payment of IDR 500,000,000 in cash. This verdict became conclusive and obligatory as the Defendant submitted no protest.

c. Legal Reasoning in Decision Number 759/Pdt.G/2021/PN.Jkt.Pst

The Panel of Judges (Fahzal Hendri, Panji Surono, and Toni Irfan) dismissed all challenges regarding absolute and relative jurisdiction, allowing the examination to proceed to the merits. On 12 April 2023, the Panel affirmed the objection of prematurity in its final verdict. The essence of its rationale was the interpretation of the dispute-resolution language in Article 22, paragraph (2), and Article 23, paragraph (2) of the General Policy Terms. Despite the clause's use of the term "may," the Panel interpreted it as a procedural obligation (procedurally mandatory) based on the argument that the policy should be interpreted systematically and holistically, that the BMAI/LAPS clause reflects the parties' intent (partijwill), and that the principle of pacta sunt servanda is applicable (Article 1338 of the Civil Code).

The Plaintiffs failed to engage in deliberation and out-of-court settlement via the Indonesian Insurance Mediation and Arbitration Board (BMAI) or an Alternative Dispute Resolution Institution (LAPS), as mandated by OJK Regulation Number 61/POJK.07/2020. Consequently, the Panel deemed the suit premature (exceptio dilatoria) and inadmissible (niet ontvankelijk verklaard), without further examination of the merits.

The disparity between the two rulings can be further elucidated using the philosophy of legal interpretation. Grammatical interpretation prioritizes the conventional meaning of statutory or contractual language, while systematic interpretation analyzes a provision in relation to the entire contract and the overarching legal environment. Teleological interpretation, in contrast, aims to uncover the intent and purpose inherent in the legal standard. In Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst, the judge employed a primarily grammatical approach by interpreting the term "may" in its conventional permissive sense, thus safeguarding the policyholder's fundamental right to access the courts. In contrast, the panel in Decision Number 759/Pdt.G/2021/PN.Jkt.Pst utilized a methodical interpretation by analyzing the dispute-resolution clause in conjunction with the contractual framework for alternative dispute settlement and the principle of pacta sunt servanda. Nonetheless, neither decision specifically addressed a teleological interpretation focused on the protective intent of insurance law and consumer protection. Had this method been used, greater emphasis would likely have been placed on guaranteeing effective access to remedies for policyholders, the weaker contractual party.

Table 1. Comparison of the Two Decisions

Aspect	Decision No. 05/Pdt.G.S/2021/PN.Jkt.Pst	Decision No. 759/Pdt.G/2021/PN.Jkt.Pst
Type of Action	Small Claim Court	Ordinary Civil Action
Legal Basis	Breach of Contract	Unlawful Act
Plaintiffs	One Policyholder	Eighteen Policyholders
Object of Claim	Refund of Principal Premium	Compensation for Losses
Interpretation of "May"	Permissive (Optional)	Compulsory Procedural Obligation
Method of Interpretation	Grammatical	Systematic

Aspect	Decision No. 05/Pdt.G.S/2021/PN.Jkt.Pst	Decision No. 759/Pdt.G/2021/PN.Jkt.Pst
Preliminary Objection	Rejected	Accepted
Ratio Decidendi	Entitlement to prompt remuneration	The ADR clause must be fully utilized prior to any further action.
Judgment	Claim Approved	Claim Denied (NO)
Legal Consequence	The policyholder received compensation.	Unassessed merits

d. The Disparity in Interpretation and an Analysis Through Theories of Justice

The discrepancy between the two verdicts stems from a unique commonality, namely the interpretation of the term "may" in the dispute-resolution portion of the General Policy Terms. In Decision Number 05/Pdt.G.S, the term “may” was interpreted grammatically as a permissive provision, hence not limiting the policyholder’s access to the court. In Decision Number 759/Pdt.G, the identical term was consistently interpreted as a procedural obligation that must be fulfilled initially. The difference in interpretative methods—grammatical vs systematic—led to contradictory rulings on a substantially similar case, creating legal uncertainty for those pursuing justice.

The differing interpretations cannot be attributed solely to judicial discretion but also reflect the absence of a uniform legal standard governing dispute-resolution clauses in insurance contracts. Indonesian insurance legislation and OJK regulations encourage alternative dispute resolution but do not expressly determine whether such mechanisms constitute mandatory procedural prerequisites or optional remedies before litigation. This normative ambiguity allows judges to prioritise different interpretative methods depending on the legal values they seek to protect. The single judge prioritised access to justice and contractual language, whereas the panel emphasised contractual order and procedural discipline. The inconsistency therefore originates not merely from individual judicial reasoning but from the lack of legislative guidance regarding the legal effect of dispute-resolution clauses.

To evaluate which of the two techniques more effectively fulfills the concept of justice, two foundational principles of justice theory may be employed. Aristotle differentiated distributive justice, characterized by geometric proportion in the public-collective domain, from corrective justice (iustitia commutativa), which is defined by arithmetic proportion in interpersonal dealings. In corrective justice, the rank or merit of the parties is irrelevant; only the extent of loss and gain is significant, with the judge serving as the mediator who reinstates equilibrium. (Segvic, 2002). In A Theory of Justice, John Rawls articulated the concept of justice as fairness, incorporating the difference principle, which posits that inequality is permissible only if it advantages the least advantaged. He also introduced pure procedural justice, which evaluates justice based on the fairness of its processes. (Rawls, 2016).

When assessed against both theories, the reasoning in Decision Number 05/Pdt.G.S more effectively embodies the principles of justice. A default issue primarily relates to corrective justice: it encompasses a promise (the insurance), a breach (non-payment at maturity), an unjustly enriched party (the Defendant retaining the funds), and an injured party (the Plaintiff). The Judge's determination to disregard the "merit" of the Defendant as a failing state-owned corporation is, in Aristotelian words, precise, as corrective justice requires the omission of the parties' status. The ruling adheres to Rawls's difference principle by ensuring that the burden of company failure is not imposed on the policyholder, the most vulnerable entity. Compelling a retiree to undergo an unpredictable liquidation procedure resulting from external factors does not benefit the least advantaged. Furthermore, it maintains procedural equity by abstaining from enforcing a restructuring clause to which there was no assent.

An earnest opposition must be recognized. From the perspective of distributive justice, a question of proportionality emerges: if one policyholder receives full payment in advance via the court while thousands of other customers await through a state-funded restructuring scheme, is this equitable to all creditors of equal status? An enforcement issue arises if the Defendant's assets are undergoing liquidation. This constraint is systemic in nature rather than remedial on an individual level. A small-claim decision adjudicates justice between the Plaintiff and the Defendant; nevertheless, it is not inherently structured to address distributive fairness among all policyholders. This tension is not a deficiency in the judge's thinking but rather a limitation of the small-claim procedure, which serves a remedial purpose rather than a distributive one.

The rationale employed in Decision Number 759/Pdt.G/2021/PN.Jkt.Pst may be scrutinized academically for prioritizing procedural adherence above substantive justice, inadequately addressing the protective roles of insurance and consumer law. Interpreting the phrase "may" as imposing a compulsory procedural duty seems incongruous with its standard linguistic definition and jeopardizes policyholders' fundamental right to judicial protection. Furthermore, the ruling fails to sufficiently elucidate why the contractual dispute-resolution clause should take precedence over overarching principles of consumer protection and access to justice. Conversely, while Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst more effectively protects policyholders' substantive rights, its rationale may have been enhanced by explicitly referencing the protective aims of insurance regulation and consumer protection laws. Thus, both rulings underscore the necessity for a more cohesive judicial framework that harmonizes contractual autonomy, legal certainty, and robust consumer protection.

In addition to justice, contradictory decisions must be assessed through the lenses of legal certainty and legal value. Legal certainty necessitates the consistent interpretation of analogous contractual phrases, enabling parties to fairly anticipate the legal ramifications of their agreements. Divergent readings of identical contractual terms erode public trust in judicial consistency and generate confusion for insurers pursuing legal remedies. The notion of legal utility mandates that conflict resolution must offer practical and effective protection for the aggrieved party. Although promoting alternative dispute resolution may enhance procedural efficiency, it must not serve as an impediment that hinders or reduces access to judicial protection, especially where consumers are in a structurally disadvantaged negotiating position. An interpretation that reconciles fairness, legal clarity, and legal utility more effectively achieves the aims of Indonesian insurance law.

CONCLUSION

This analysis determined that PT Asuransi Jiwasraya's legal obligations to Provest Saving Plan policyholders extend beyond contractual breaches to encompass civil, criminal, and administrative liabilities for failing to fulfill contractual and prudential duties. The research indicates that differing judicial interpretations of the same dispute-resolution clause resulted in the divergent outcomes of Decision Number 05/Pdt.G.S/2021/PN.Jkt.Pst and Decision Number 759/Pdt.G/2021/PN.Jkt.Pst. One court's grammatical interpretation safeguarded policyholders' access to legal remedies, whereas the other's methodical methodology rendered alternate dispute resolution imperative. This erratic method of resolving insurance disputes generates legal ambiguity.

The primary contribution of this work is the comparison of two conflicting civil court rulings about the same insurance dispute. This research demonstrates that divergent contractual interpretations can result in disparate judicial outcomes, in contrast to previous studies on the Jiwasraya case that concentrated on corporate governance, financial regulation, or criminal liability. The report recommends reading dispute-resolution agreements with discretionary wording to ensure judicial protection for policyholders, in alignment with consumer protection, legal clarity, and corrective justice principles.

This article advocates for the integration of contract law, consumer protection, and judicial interpretation to establish a more unified doctrinal framework for interpreting dispute-resolution clauses in insurance contracts. This strategy may enhance judicial consistency and legal certainty within Indonesian insurance regulation.

Legislators, the Financial Services Authority (OJK), and the judiciary must elucidate regulatory and judicial guidance regarding dispute-resolution clauses, enhance prudential oversight of insurance companies, guarantee that restructuring schemes uphold policyholders' rights, and foster consistency in judicial interpretation through jurisprudence or technical guidelines.

Future research should incorporate further insurance dispute rulings or comparison analyses with foreign jurisdictions to evaluate judicial reasoning and the interpretation of standard-form insurance contracts across legal systems.

REFERENCE

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