

## Health Insurance Financing: A Comparison Study of Insurance Between Indonesia and Malaysia

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### Abstract

This paper discusses the obligation of PT. Asuransi Astra Buana in Motor Vehicle Insurance. The goal is to discover the shape of an obligation of PT. Asuransi Astra Buana for Motor Vehicles and recognize the Insurance Claim Process at PT. Asuransi Astra Buana. Via way of means of studying and decoding library substances that exist withinside the literature, the Legislative Invitations, and provisions regarding coverage agreements. Data used on this examination is secondary data, after which accomplished a qualitative analysis. The effects of this examination are PT. Asuransi Astra Buana need to be accountable to the insured who has participated in motor car coverage due to the fact it's miles sure via way of means of the agreement, particularly in Article 1 paragraph (1) of Law Number 40 of 2014 regarding Insurance, PT. Asuransi Astra Buana is obliged to offer the obligation to the insured if withinside the implementation of repayment the insurer will remember the top rate this is nevertheless owed for the continuing coverage duration for the car, the insured need to deliver the insurer the possibility to test the harm earlier than repairing or changing the car, the insured need to observe the provisions that are according with the process via the stairs that need to be executed on the time of filling out the shape need to be authentic and sincere due to the fact in case you make the slightest mistake then the declare submission will maximum probably be canceled. The end of this study is PT. Asuransi Astra Buana is obliged to offer repayment withinside the policy.

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## INTRODUCTION

Insurance is a contract that requires the insurance company (*Muammin*) to give to the customer (*Muammun*) a number of assets as a consequence of the contract, either in the form of compensation, salary or compensation for goods in any form in the event of a disaster or accident or evidence of danger stated in the contract. This is in return for money (*premiums*) that are paid regularly and periodically or in cash from customers to insurance companies during their lifetime. Briefly, based on this definition, it can be said that insurance is one way of paying compensation to parties who experience a disaster whose funds are taken from premium contributions of all insurance participants (Triyanta, 2018).

Insurance issues in the view of Islamic teachings include *ijtihadiah*, meaning that the law needs to be studied as deeply as possible because it is not explicitly explained by the Qur'an and Sunnah. Mujtahid imams such as Abu Hanifah, Imam Malik, Imam Shafi'I, Imam Ahmad bin Hanbal and the mujtahids who were with him did not give fatwas regarding insurance because at that time insurance was not yet known. The new insurance system was known in the eastern world in the XIX century AD. The West has known the insurance system since the XIV century AD, while the great mujtahid scholars lived around II to IX AD (Kholiq & Zein, 2020).

Insurance has developed rapidly in several countries in the world and even insurance has been running in most Muslim-majority countries. The sharia insurance business has experienced a significant increase. The development is quite satisfactory although there are areas that still need to be developed to meet the needs of the community. Any business activity cannot be separated from the rules that bind it. The rules of law will provide signs that must be obeyed by the perpetrators. If the business is not bound by clear rules, it will cause a distortion of life that is detrimental to society (AIFC, 2019).

Malaysia is a country that has a prominent Islamic economic existence including *takaful*. Islam is a religion that is legalized by the state and occupies the majority. Malaysia was the first country in the Southeast Asia region to issue a *takaful* law, even before the *Takaful* industry was inaugurated in 1984 (Khan, Muneem, Mansor, Balwi, & Rahman, 2021). Meanwhile, Indonesia, which has the largest Muslim population, only started to establish a sharia insurance industry in 1994. The only binding regulations were those

issued by Bank Indonesia at that time as a financial supervisor and regulator. The law was legally issued in 2014 (Effendi, 2018).

The differences in the formation of the rules of sharia insurance law in Indonesia and Malaysia are very prominent, especially considering the comparison of the public interest of each country towards insurance in sharia insurance companies (Effendi, 2018). In Indonesia, public interest in sharia insurance is still minimal compared to conventional insurance, said the deputy chairman of the Agency for the Sharia Insurance Association in Indonesia. This assumption is based on the low level of penetration of the sharia market caused by the slow market share of the sharia insurance industry (Waluyo, 2020).

The discussion of this study is literature using a comparative approach. The sources used include the law and sources that can be accounted for. Collecting data from primary sources, namely regulations on sharia insurance issued by Indonesia and Malaysia, as well as statistical data on sharia insurance from official government web sources. Secondary sources, namely, scientific works that were previously published and literatures that are related to the object of discussion.

## THEORETICAL FRAMEWORK

### History of the Establishment of the Sharia Insurance Law

Talking about history will definitely be divided into several phases when the era is taking place. To find out the background behind the formation of sharia insurance laws in Indonesia and Malaysia related to the pre-colonial phase, the colonial period, after independence and the contemporary or present era.

#### Indonesia

The beginning of the establishment of a sharia insurance company at a time when legal conditions in Indonesia did not have special rules that overshadowed insurance activities with sharia principles. At that time the applicable insurance law in Indonesia was Law no. 2 of 1992 concerning the insurance business and its derivative regulations. The absence of a specific legal umbrella does not prevent sharia insurance institutions from continuing to run, with the burden of not fully complying with applicable regulations (BUMN, 2020).

Year after year passed until seven years later, the Fatwa of the National Sharia Council of

the Indonesian Ulema Council (DSN-MUI) No. 21/DSNMUI/X/2001 concerning General Guidelines for Sharia Insurance. This fatwa can be used as a guideline but is not legally enforceable in national law. In order for the provisions of Sharia Insurance to have legal force, it is necessary to establish regulations that include existing laws and regulations in Indonesia even though it is felt that they do not provide stronger legal certainty, the regulation is the Decree of the Minister of Finance of the Republic of Indonesia. No. 426/KMK.06/2003, Decree of the Minister of Finance of the Republic of Indonesia No. 424/KMK.06/2003, Decree of the Minister of Finance of the Republic of Indonesia No. 422/KMK.06/2003 and Decree of the Directorate General of Financial Institutions No. 4499/LK/2000, Government Regulation No. 39 of 2008, the Decree of the Minister of Finance No. 11/PMK.010/2011 (Niswah, 2018).

There are two reasons that are considered to hinder the emergence of the Sharia Insurance Law. First, the law is considered not in accordance with the basic principles of Indonesia based on Pancasila. Historically, norms originating from Islamic law in the economic field have long faded from legal instruments as a result of colonial law politics which systematically eroded the validity of Islamic law. As a result, insurance and other financial institutions are accustomed to applying Dutch legal provisions. Second, the government's lack of political will to privatize the insurance business in general. It is evident that there is a lack of priority for the ratification of the Insurance Bill (Idris & Darminto Hartono Paulus, 2020).

After the formation of the OJK, in 2013 the Government and Commission XI of the DPR RI formed a working committee to discuss the bill on insurance business. No. 2 of 1992 concerning Insurance Business. The dynamic debate has colored the discussion of the bill between the Government and the DPR regarding certain crucial topics. Changes in the discussion were in the form of systematic writing of the bill, increasing the number of articles (from previously 72 articles to 92 articles) and adding chapters (from 15 chapters to 18 chapters. Law No. 40 of 2014 concerning Insurance was born (Haechol, Heemin, Santiago, Susetio, & Amelia, 2019).

### Malaysia

The concept of insurance cannot be traced in the previously described Laws. However, there is a traditional Malay custom when members of a community make voluntary donations or other donations to the bereaved family of a deceased

person. This was done to alleviate their suffering and to help with funerals and other expenses. This fact seems at a very basic level to resemble the concept of insurance. However this is a community practice, not a strict customary law principle and is therefore not mentioned in any of the Malay Laws. However, the provisions of the Malacca Law of the Sea state that there are several types of losses incurred while sailing. When a strong wind occurs and the ship hits a rock, it is not considered an accident but a mistake because in stormy conditions the ship is not allowed to go to sea. The losses obtained from the error are borne in three parts. One was borne by the owner of the damaged ship, the other two by the persons responsible for the loss (Kunhibava, 2012).

After independence in 1957, nationalist policies gave many incentives to domestic companies to increase their market share. The government stepped in to improve the situation by introducing the 1963 Insurance Act. In the early years of post-independence Malaysia, the economic system was still publicly dominated by the colonial culture economy. A new chapter in the journey of establishing a comprehensive Islamic financial system in Malaysia began in 1969 with the creation of the Hajj Savings and Affairs Institute (LUTH) (Mohd. Yusof & Bahlous, 2013). Politically, Malaysia's Islamic economy began when the New Economic Policy (NEP) or New Economic Basis (DEB) was introduced by the Malaysian government in 1970 (Milne and Diane, n.d.). In the 1970s Islamic Finance had developed rapidly. This prompted the emergence of Islamic financial institutions, such as Islamic Banking at the insistence and due to the needs of the Malay Muslim community. In addition to banking institutions, institutions that run the concept of insurance also get attention. In June 1972, the National Fatwa Committee declared that the concept of conventional insurance (especially life insurance) regulated by the Malaysia Insurance Act (Malaysia Insurance Act 1963) was against sharia rules (Mohamad & Nor, 2016).

In the course of time, as conditions and times continue to develop, Islamic financial institutions in Malaysia continue to grow and receive attention in the global realm. The takaful industry in Malaysia has been around for about 30 years. Various changes have been made by the regulator Bank Negara Malaysia (BNM) to ensure the strengthening and stability of the takaful industry.

Responding to the development of Islamic finance in Malaysia, the government made regulations covering all Islamic financial

institutions. On March 22, 2013 the Islamic Financial Services Act (UU 759) or the Islamic Financial Services Act (Act 759) was published in the State Gazette and came into force on July 1, 2013. This law was enacted to promote financial stability and compliance with sharia principles. from licensing, its operation, to the closing of Islamic financial institutions. Moreover, Malaysia is a leader and excels in the field of Islamic finance and as the spearhead towards the center of world Islamic finance (Ahmad Nasyran Azrae, 2019).

## METHODS

The analysis of the study from this writing was carried out through a literature review related to health system problems that exist in several developed and developing countries, both from the point of the health system itself, namely institutions, commodities, information, financing and governance strategies in providing prevention and treatment services to people public. This literature review was conducted with various perspectives, theories, journals and articles to study and find out the comparison of the health systems adopted by Indonesia and Malaysia.

## RESULTS AND DISCUSSION

### Sharia Insurance Industry Development

#### 1. Indonesia

The company was first established in 1994, namely PT Asuransi Takaful Indonesia. The emergence of sharia insurance companies has pros and cons in Indonesian society. Sharia insurance law is a struggle between the understanding of sharia law and the reality that occurs. So that in 2001 the Indonesian Ulema Council issued a Fatwa regarding the General Guidelines for Sharia Insurance,

Fatwa No. 21/DSN-MUI/X/2001. This fatwa was issued to develop sharia insurance legal products (takaful), the existence of the DSN-MUI fatwa has a fundamental function (Hidayati, Setyowati, & ..., 2021).

The establishment of Sharia Insurance in Indonesia is not followed by qualified regulations. The existence of sharia insurance in Indonesia is constitutionally weak and still needs political policies that support the Indonesian government at that time. For 20 years, regulations governing sharia insurance were issued, namely Law no. 40 of 2014 concerning Insurance. The issuance of Law no. 40 of 2014 concerning Insurance is clearly stated in the explanation of the Law in the general provisions. Efforts to create an insurance industry that is healthier, more reliable, trustworthy, and competitive are generally carried out, both in establishing new provisions and improving existing provisions. One of the manifestations of this effort is in the form of establishing a legal basis for the operation of the sharia insurance business and the sharia reinsurance business. This is encouraging news for Muslims in Indonesia for those who contribute to insurance finance without bearing the burden of its positive legal basis (Imron & Heradhyaksa, 2021).

The development of sharia insurance lately is considered quite happy. The number of established sharia insurance companies, whether business units or not, has opened the public's view of easier facilities. Even foreign companies are targeting Indonesia as the largest market because it has a large number of Muslims. The following is the growth of sharia insurance in Indonesia sourced from the OJK Website:

**Table 1:**  
Growth of Indonesian Sharia Insurance Companies 2013-2018

Description		2013	2014	2015	2016	2017	2018
Sharia Insurance Company	Sharia Life Insurance	3	3	5	6	7	7
	Sharia General Insurance	2	2	3	4	5	5
	Sharia Reinsurance	-	-	-	1	1	1
<b>Total</b>		<b>5</b>	<b>5</b>	<b>8</b>	<b>11</b>	<b>13</b>	<b>13</b>
Sharia Insurance Business Unit	Sharia Life Insurance	17	18	19	21	23	23
	Sharia General Insurance	24	23	23	24	25	24
	Sharia Reinsurance	3	3	3	2	2	2
<b>Total</b>		<b>49</b>	<b>45</b>	<b>44</b>	<b>47</b>	<b>50</b>	<b>49</b>

**Table 2:**  
Growth of Indonesian Sharia Insurance Assets 2013-2018

Description		2013	2014	2015	2016	2017	2018
Asset	Sharia Life Insurance	12,792	18,051	21,614	27,079	33,484	34,474
	Sharia General Insurance	3,869	3,310	3,786	4,797	5370	5,621
	Sharia Reinsurance		1,003	1,368	1,368	1,666	1,864
	<b>Total</b>	<b>16,661</b>	<b>22,364</b>	<b>26,519</b>	<b>33,244</b>	<b>40,520</b>	<b>41,959</b>

## 2. Malaysia

In 1972 the National Fatwa Committee of the Malaysian Islamic Affairs Council declared that conventional insurance was not compliant with sharia. The Fiqh Academy of the Organization of Islamic Conferences made a similar statement. So that people need to look for other alternatives to build the concept of insurance based on Islamic values (Fauzi & Rashid, 2016). Finally, the concept of sharia-compliant insurance or takaful was first introduced in Malaysia in 1985 when the first takaful operators were established to meet the needs of the general public to be protected based on Islamic principles. The legal basis for the establishment of takaful operators is the Takaful Act which came into force in 1984. Takaful operations have been regulated and supervised by BNM since 1988 with the appointment of the Governor of BNM as Director General of Takaful (Amin & Hamid, 2014).

The easy development of Islam in Malaysia has an impact on regulatory activities and people's understanding of Islamic-style activities, including economic activities. Malaysia ranks First in the Islamic Finance sector out of fifteen countries in The State of the Global Islamic Economy Report 2018/19 (Mubarak & Imam, 2020). Malaysia has planned to continue to make new regulations as a pace to make the Islamic finance system easy to understand and run on its own terms. BNM plans to launch new regulations in the takaful sector by the Takaful Operational Framework which can bring greater clarity to the use of sharia standards in the structure of the takaful model (Chermi & Jerbi, 2015).

The development of Takaful in Malaysia is considered leading in the contemporary Islamic economy globally. Malaysia has two main categories of takaful products offered,

General Takaful and Family Takaful. Starting in 2013 and it is expected that until mid-2018 the company will have to do Mergers and Acquisitions because IFSA 2013 requires takaful companies holding a combined license to separate their business into general takaful and family takaful (Parveen, Razali, & Salleh, 2019). Takaful Malaysia has experienced rapid growth and transformation over the past 35 years. Currently, referring to the 2013 IFSA regulations, Takaful operators have merged to separate Family Takaful and General Takaful. So that as of the 2018 annual report, there are 11 Family Takaful Companies and 4 General Takaful Companies and 4 Retakaful Companies.

### Comparative Analysis of the History of the Establishment of the Sharia Insurance Law

History has a fundamental role in the future development of law. Indonesia and Malaysia have become dominoes of the Islamic economy in the Southeast Asian region. It has many similarities, starting from ethnicity, various ethnicities and races, a country that has a tendency to Islam as the religion adopted by the majority of its people. Based on the history of the entry of Islam in Malaysia and Indonesia both through the door of Arab tribal trade. Islam began to be accepted and spread to blend in with the traditional customs of the people. The development of all social, economic, political and legal aspects of Islam went smoothly and made Islam the character and nation of Indonesia and Malaysia (Olivier, 2018).

Based on historical literature in Indonesia and Malaysia, Islam spread to all aspects starting with the trade economy. Islamic economic activities accumulate into habits in the community. In the pre-colonial period there was no binding economic activity based on Islamic principles even though Islamic kingdoms had spread. The literature does not mention in detail about the history of Islam in Indonesia with an economic background. Whereas in Malaysia, the arrival of

Islam was integrated with the elite of the Kingdom so that the king's policies issued contained elements of Islamic teachings, although slowly. In some of the findings of the rules made by the Kingdom, it is stated that there are regulations regarding Muamalah. Several Islamic laws that exist in several areas in Malaysia have indicated the existence of Islamic rules. However, most of these regulations emphasize more on aspects of worship and kinship.

Both from Indonesia and Malaysia in the early days of Islamic history there was no economic activity with the existence of financial institutions. Moreover, the practice of sharia insurance which is a derivative of the existence of Islamic banking. However, in terms of activities similar to the insurance systems in Indonesia and Malaysia, they exist, although in different forms. The basis of insurance activities that work together to bear the burden of losses or calamities faced by others has become a customary practice in society. The characteristics of the people of Indonesia and Malaysia, which are not much different, form the basic foundation for the existence of a mutual cooperation culture in the two regions. Slightly different, because the Malacca strait is a sea trade route, the Malacca government makes maritime laws that regulate everything about ships. All of these things happened because of awareness of the risks that occur from accidents caused by storms at sea. It seems that based on history, insurance practice was more dominant in Malaysian society.

It's not just the industry that is experiencing delays, the rules regarding the guidelines for the operation of the Indonesian sharia insurance industry can be said to be very far behind. At the time of the establishment of the Takaful Industry in 1984, Malaysia had prepared a new law for establishing a company which was inaugurated in 1985. Meanwhile, Indonesia had first established a company without any legal certainty to guarantee the sharia insurance company. Only with the provisions of the fatwa of the Indonesian MUI to run the sharia insurance industry. In this regard, it was only in 2001 that the MUI issued a fatwa, even though the sharia insurance company was first established in 1994. The formation of the sharia insurance law in Indonesia was only born in 2014. The response of the Indonesian government, which still seems less concerned than Malaysia, which has been systematically arranged (Ghoni & Arianty, 2021).

The explanation above can be concluded that the activities of sharia insurance in Indonesia and Malaysia appeared after the modernization by the colonialists. The insurance system is both

officially known as the form of a company after the insurance system introduced by the West. Because both countries have a strong Islamic community character, people began to look for other ways so that the system from the west was formulated in accordance with Islamic teachings. The formation of the laws of the two countries is in accordance with the theory developed by the schools of history, that the law is formed from the character of the nation. The difference is that Malaysia is constitutionally an Islamic country, so the law that comes from the nation's character is not as pure as the theoretical thought. In fact, the government's role also sees the needs of the community

### Factors Causing Difference

The difference in the development of sharia insurance in Indonesia and Malaysia is caused by several factors. First, the habit factor of indigenous peoples, that since before the colonial period in Malaysia, they had known practices such as insurance, while in Indonesia they only knew the principle of *gotong royong*. Second, the factor of introducing insurance from different colonizers, Malaysia by the British and Indonesia by the Dutch. As is known, that insurance was first known in the UK. Although the practice of insurance has spread to various parts of the world. Management by the UK is better than other management. Thus, the British colony, namely Malaysia, was deemed to have a mindset inherited by the colonialists, therefore insurance practices in Malaysia were much more developed.

The third factor is caused by the government systems of the two countries. That Malaysia clearly reveals more about the Islamic system of government. Meanwhile, Indonesia does not adhere to an Islamic government system, but its people are predominantly Muslim. This is the level of difficulty regarding the political economy of Islam. The factor of the level of public awareness of each country is different. The interest and awareness of the Malaysian people is far more advanced and rapid because modernization and open-mindedness are more dominant. In Indonesia, only modernized people are aware of the importance of insurance, while traditional people still have an open mindset.

Malaysia's Islamic economic factors have far more global existence than Indonesia, which is still pursuing delays. The time factor for the formation of sharia insurance from each country is different, because Malaysia is far ahead of Indonesia. The awareness factor of Islamic law experts who first saw the state of the global economy and the needs of its people, so that the

fatwa issued from Malaysia was faster. Meanwhile, Indonesia's fatwa regarding sharia insurance guidelines was delayed after the establishment of a takaful company. It should be noted that Indonesia reflects and follows the pattern of development of Malaysian takaful. So it is natural that the development of Islamic insurance in Indonesia is slower than Malaysia (Hutomo, 2020).

The underlying factor for all of the above is the formation of sharia insurance laws in Indonesia and Malaysia. Malaysia prefers the rules that were formed first, while in Indonesia the company runs on its own without any regulation. Whereas industry needs a controller to discipline and organize in its management. The controller is the law as the law that controls the course of sharia insurance.

The existence of a legal regulation that regulates more systematically regarding the relationship between industry and consumers as well as industry as a contributor to economic development to the country. Legal regulations are also to guarantee consumers in sharia insurance activities that are expected by the community. The various purposes of the sharia insurance law are used as a sure step in the demands of social change. The relationship between laws and regulations as law in society will certainly increase the attractiveness of the community in a belief in sharia insurance activities (Ekatjahjana, Hauerstein, & Heilmann, 2019).

Law as social engineering makes law a means of implementing political decisions and losing traditional life. According to the authors, the phrase is no longer relevant to the development of modern life in this world. As a social engineer, it is expected to be able to make changes for the better and have high integrity. Preservation of traditional values is considered important to harmonize future changes. However, it is not continuously shackled with traditional social. As a society that is constantly undergoing social change, laws are needed to keep abreast of these developments. The rules of sharia insurance law are very important in the development of sharia insurance.

Permanent law always comes from the people who experience social changes so that the rule of law exists and is formed. This legal form is implemented and applied to make more advanced changes to society. So that the role of the government as a regulator and the community as the executor of the regulation as well as the community as a shaper by conveying aspirations to the government. So that sharia insurance law as a

tool of social control is defined not as a political interest and leaves the character of society in its formation. In fact, the role of the community as a strong character makes it an element for the formation of the aspired law and as a social change in society so that it is more advanced and developed.

## CONCLUSION

Based on the description that has been presented, the essence of this research can be drawn: Sharia insurance laws in Indonesia and Malaysia are formed based on the spirit of the nation. Both countries have the character of a Muslim community that has a role in the formation of sharia insurance laws. The beginning of the emergence of Islamic insurance in these two countries stems from the pragmatic ideology brought by the British colonialists to Malaysia and the Netherlands to Indonesia. Sharia insurance regulations are formed into a law that starts from the customs of the people in each country. Whereas in Malaysia the practice of insurance has been known since the pre-colonial period which is a Malay custom and is stated in the Malacca Sea Law. Meanwhile, in Indonesia, the practice of insurance is not very real, it's just that indigenous peoples apply the mutual cooperation system in the event of a disaster among their community members.

From the different backgrounds of the customs of the indigenous peoples, there are similarities to the anxiety due to the insurance practices planted by the colonizers because they contain elements of prohibition in Islam. So that it moves the experts in *ijtihad*, to continue to apply the insurance system but with Islamic principles. Departing from this explanation, which can be said from a nation's soul, so that the habit can be applied as a whole, the sharia insurance law was born as a form of the state's role to provide legal certainty. Each law will certainly experience evolution because it departs from a rule as a status in society to become a contract. The contract will show the expiration date due to social changes in the community, so the legal rules change.

There is a time difference between the Islamic insurance industry in Indonesia and Malaysia. Malaysia, starting in 1981, had planned the establishment of takaful, and it was realized in 1984 and inaugurated in 1985, namely PT. Syarikat Takaful Bhd. While in Indonesia, the establishment of the sharia insurance industry occurred in 1994 with knowledge of Malaysia and PT. Indonesian Takaful Association. The

difference in distance for 10 years has resulted in the development of sharia insurance in each country. Both have consistency in their development, there are differences in the assets they have. Overall, Malaysia's assets are much more and the level of use of Islamic insurance services attracts consumers.

Meanwhile, in Indonesia, assets are smaller than Malaysia, even though when compared, the number of Muslim population in Indonesia is more. In addition, the sharia insurance industry in Indonesia is much larger than Malaysia. The market in Indonesia should be much higher than Malaysia. This makes it a serious task for the government and the marketing of the sharia insurance industry to continue to promote the understanding of the Indonesian people on the importance of insurance and provide guidance on the advantages of using sharia insurance services. That sharia insurance exists as an alternative to the conventional insurance system. In addition to public understanding, the regulations made must be enforced in the management of the company's industry. So that the sharia insurance industry is trusted and can carry out the mandate according to the corridors of legal provisions.

Differences in the development of sharia insurance in Indonesia and Malaysia are caused by the formation of laws that occur in each country. Looking at the consistency of Malaysia, a year before the establishment of the takaful operator, the company issued the Takaful act 1984. Meanwhile, Indonesia formed the Sharia Insurance Law in 2014, even though the operation of the sharia insurance industry has been around since 1994. Thus, the Sharia Insurance Law as Law has an important role in the behavior patterns of the community. Social change in society in the form of an understanding of sharia insurance practices is driven by the existence of laws as a means of social control.

The impact has resulted in the development pattern of the sharia insurance industry in understanding the importance of using these services to be less ogled by the public. As a result, Indonesia, which is the largest Muslim population in the world, is underdeveloped in the field of Islamic insurance finance. Meanwhile, Malaysia has already gone global and has high integrity in the financial sector of takaful.

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