

## The Importance of Natural Disaster Insurance in Indonesia

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### Abstract

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Insurance is an agreement that has been agreed upon by both parties between the insurer (insurance company) and the insured (someone who buys insurance services). In the agreement, the insured must pay a certain amount of money within a specified time, which is called the premium. Insurance premiums will determine the compensation that will be given. Insurance provides protection from risks that cause them to reduce the risk of loss when an asset is damaged, minimize the impact of unexpected events such as looting or disasters, and minimize the expenditure of large medical funds in the event of an accident on the insured. Indonesia has the potential for natural disasters with a high intensity of natural disasters and has a fairly high potential for losses. The disaster management process regulated in Law Number 24 of 2007 concerning Disaster Management still has weaknesses, namely the absence of a derivative regulation of the disaster management law, not yet optimal support for disaster budgets, the slow mechanism of the disaster management fund process, and slow mitigation and response efforts. disaster emergencies, and weak coordination between relevant agencies. These weaknesses make it longer and the losses incurred increase so that it adds to the burden due to natural disasters.

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## INTRODUCTION

A person's life cannot always be predicted what the future will be like. There are always unexpected events that occur in our lives. Living life is always associated with health and financial risks. For some concerned people, they will feel the need to protect people and their property from harm that could harm them by using insurance. Insurance can be useful to protect or at least minimize losses from things we don't want, one of which is natural disasters.

Besides being able to cause great losses to our assets and wealth, natural disasters can also worse threaten the safety of human life and body. These natural disaster events can be in the form of floods, volcanic eruptions, earthquakes, tsunamis, landslides, storms, droughts, hail, heat waves, and tornadoes. Disaster is an event that can affect human habitat. Disaster events not only destroy people, but also homes such as destroying residential houses, multi-storey buildings, office centers, factories, government buildings, and others.

Natural conditions in Indonesia today are unpredictable. Especially in the capital Jakarta, the regular problems are floods and fires. Or in other places that are close to the coast so that they are vulnerable to the threat of earthquakes and tsunamis. The same applies to people who live near volcanoes. This can be dangerous and have fatal consequences if there is no preparation or protection in the future because disaster can never be predicted when it will come. One effort to fix it is to transfer the loss to another party. The other party referred to by the community is insurance. Insurance is an alternative that people can choose to overcome risks. Assurance comes from the word guarantee or insurance which means guarantee or insurance.

Insurance according to the Commerce Act (KUHD) is an arrangement in which an insurance company promises to the insured by receiving a premium, providing that person compensation for the loss, damage or loss of expected profits, which may result from an unspecified event. For some people or business entities, insurance is important to ensure that future situations with many potential risks that will occur can have protection. The insurance company's efforts are to minimize the risk or transfer risk. Risk can occur because a process is never known. There are two types of risk models that can be used for premiums, namely the person risk model and the collective risk model. In the personal risk model, the total complaints are

the terms of each individual request,

One of the most recognized risks in insurance is personal risk. Personal risk is the risk that arises individually or individually which can cause harm to each individual, especially in the financial sector. Personal risk is divided into three categories, namely personal risk, physical risk, and lawsuit risk. Examples of personal risk include death, accident, illness, and loss of a job. Examples of the risk of suing, for example hitting someone else and causing the other person to lose. Examples of asset risks are fire at home, natural disasters and loss of facilities. House fires, natural disasters and loss of facilities are property risks. Then there is real estate insurance which is a kind of protection for real estate properties such as houses, apartments, and offices. Its purpose is to predict financial losses due to unforeseen incidents on property. Property insurance can be promised to be an option in loss of insurance by each party, between the insurance department and the insurance company wanting to enter an insurance agreement. Minimize the risk that will occur in the future.

Related to various natural disasters that have occurred in Indonesia such as floods, fires, landslides, tsunamis, and others. Humans need to do various kinds of protection to protect themselves and their assets. This is very important because natural disasters can cause huge losses. If there is no protection, then our property and body and soul can be snatched away without the slightest bit left.

## THEORETICAL FRAMEWORK

The theoretical framework contains theories and principles that are useful as a basis for research. As described by Mardalis about the theoretical framework which is intended to provide an overview or limitations of the theories that will be used as the basis for the research carried out, is the theory of the problem variables to be studied. (Mardalis, 2013). In this study, the theoretical basis used is related to natural disaster insurance in Indonesia. Among other things: insurance theory according to experts, theories about natural disasters according to experts.

### Understanding Insurance According to Experts

According to M. Nur Rianto (2012:212) insurance is a protection mechanism for the insured if he experiences a risk in the future where the insured party will pay a premium to get

compensation from the insurer.

Julius R. Latumaerissa (2011:447) defines insurance as an agreement in which there is an insured party who pays a premium to the insurer in order to get reimbursement because of a desire, damage, or loss of expected profits which are unlikely to occur in the future.

Meanwhile, according to Ketut Silvanita (2009:40) insurance is a request where one party has an incentive to transfer risk by paying a certain amount of funds to avoid the risk of losing a number of assets it has.

### **Understanding Natural Disasters According to Experts**

According to the Big Indonesian Dictionary, disaster has the meaning of something that causes or causes distress, loss or suffering. Meanwhile, natural disasters are disasters caused by nature (Purwadarminta, 2006).

According to Law No. 24 of 2007, a disaster is an event or series of events that threaten and disrupt people's lives and livelihoods caused, both by natural factors and/or non-natural factors as well as human factors, resulting in human casualties, environmental damage, losses. property, and psychological impact. Disaster is a meeting of three elements, namely disaster threat, vulnerability, and capability triggered by an event.

Natural disasters are disasters caused by events or a series of events caused by natural phenomena that can result in environmental damage, material losses, and human casualties (Kamadhis UGM, 2007).

The types of disasters according to Law No. 24 of 2007, include:

- Natural disasters are disasters caused by events or a series of events caused by nature, including earthquakes, tsunamis, volcanic eruptions, floods, droughts, hurricanes, and landslides.
- Non-natural disasters are disasters caused by non-natural events or series of events, which include technological failures, failed modernization, epidemics and disease outbreaks.
- Social disaster is a disaster caused by an event or series of events caused by humans which includes social conflicts between groups or between communities, and terror (JU RI, 2007).

### **Alternative Natural Disaster Financing Strategy**

In conventional disaster management, the person responsible for disaster management only relies on one pillar, namely the government. In fact, as mandated in Law Number 24 of 2007, it is stated that disaster management must involve three things: pillar ; government, private or business world and society itself (Mochamad C. Ulum, 2013).

The number of victims and losses caused by disasters can be significantly reduced with maximum involvement of the community and autonomous regional governments that are resilient and prepared for disasters (Ahdi, 2015).

These problems are partly due to the fact that until now, a comprehensive disaster management plan has not yet been prepared. Whenever a disaster occurs, it is not clear who does what, and it is still sporadic and reactive. Everyone wants to help, but sometimes doesn't know what to do. Especially at the time before the disaster occurred, what had to be done was still not clearly planned and programmed. In some disaster activities, it is often carried out by several agencies individually, resulting in overlapping activities, policies and products that differ from one another which often confuses the end user, namely the victim community and/or local government.

Therefore, Corporate Social Responsibility (CSR) should not only be understood as voluntary assistance, disaster assistance, or environmental development programs. CSR should be a sustainable and planned program. In the insurance industry, this paradigm can be translated by providing disaster insurance coverage for disaster-prone areas. Regional governments holding autonomy mandates can study intensively the benefits of subsidizing disaster insurance premiums compared to must carry out post-disaster rehabilitation without the contribution of the insurance industry, so that if a disaster occurs, the government can share with insurance in dealing with various agreed matters.

### **Legal basis**

Insurance law is a collection of written and unwritten rules, which are intended to bind the two parties who enter into an insurance agreement between the insurer and the insured. Based on article 246 of the Commercial Code, states: "Insurance is an agreement by which an insurer binds himself to an insured. By accepting a premium to compensate him for a loss, damage or loss of expected profit, which he may suffer due to

an unspecified event."

Then in Article 1 number 1 of Law No. 2 of 1992 dated February 11, 1992 concerning Insurance Business (UU insurance) it is stated that: "Insurance or coverage is an agreement that occurs between two or more parties, in which the insurer binds himself to the insured party by receiving a number of insurance premiums to provide replacement services to the insured due to loss, damage or loss of expected profits, or legal liability to third parties that may be suffered by the insured due to the occurrence of an uncertain event, or provide a payment that committed because of the death or life of an insured person."

## RESEARCH METHODS

Research methodology comes from the word "Method" which means the right way to do something; and "Logos" which means knowledge or knowledge. So, methodology means a way of doing something by using the mind carefully to achieve a goal. While "Research" is an activity to search, record, formulate and analyze to compile the report.

Regarding the term "research" many scholars have expressed their opinions, such as: David H. Penny Research is the systematic thinking of various types of problems, the solution of which requires gathering and interpreting facts. J. Suprpto MA Research is an investigation of a field of science carried out to obtain facts or principles patiently, carefully and systematically.

From the above limitations, it can be concluded that what is meant by research methodology is a branch of science that discusses/questions about ways to carry out research until compiling reports) based on scientific facts or phenomena.

The type of research used in this article is qualitative, namely the type of approach that is based on research procedures that produce descriptive data, namely what is stated by the informant orally. Because this research will find a concept, namely how important insurance products are to the risk of natural disasters in Indonesia. This data is qualitative. This qualitative data is based on the content or quality of a fact, such as data based on books, magazines, newspapers and articles collected by the authors relating to problems related to the discussion of this research which are then analyzed in order to answer the existing problems. The data source of this research is literature study, namely by collecting a number of books and other reading

sources related to the discussion. This research is descriptive analysis. In accordance with the problems raised, in this research data collection the writing uses data collection with library research methods. Literature review is carried out to achieve a comprehensive understanding of the concepts to be studied.

The literature used for the literature review is books, magazines, newspapers, and several articles related and relevant to this study. In this research, the writer will use descriptive qualitative research. After the data has been collected completely, the next stage is data analysis. At this stage, the data is worked out, described, explained, and analyzed in such a way as to conclude the truths that can be used to answer the questions posed in the research. The data in the information will be presented in the form of descriptive analysis which aims to explain the problem to find the expected answer along with the reasons.

## RESULTS AND DISCUSSION

### Losses Due to Natural Disasters in Indonesia

Indonesia is one of the countries that has a high risk due to the impact of natural disasters that result in economic losses, physical losses and a large number of casualties. Indonesia is included in the list of 35 countries in the world with a high risk of casualties due to the impact of various types of disasters. The high risk is because more than 200 million people live in disaster-prone areas. This risk is also caused by the quality of public and non-public infrastructure which is not resistant to disasters.

Almost all regions in Indonesia are exposed to risk from nine major natural disasters, namely earthquakes, tsunamis, floods, landslides, volcanic eruptions, fires, extreme weather, extreme waves, and drought. Several natural disasters occur with high intensity events, such as floods and landslides. In the period from 2000 to 2016, each year the average direct economic loss due to damage to buildings and non-buildings due to natural disasters that occurred in Indonesia reached around Rp. 22.8 trillion.

It is undeniable that Indonesia is located in the Pacific Ring of Fire, which has the potential for disasters such as earthquakes and volcanic eruptions. The losses incurred are quite large every time a disaster occurs. One major natural disaster, such as the earthquake and tsunami in northern Sumatra Island in 2004, caused an economic loss of around Rp. 51.4 trillion. Meanwhile, the

earthquake in the Special Region of Yogyakarta in 2006 caused economic losses of Rp. 26.1 trillion. The amount of recorded economic loss usually does not reflect the actual loss incurred.

Finance Minister Sri Mulyani Indrawati said Indonesia faces the risk of direct losses from disasters worth more than IDR 20 trillion every year. This is a consequence of the high disaster risk that exists in Indonesia. The National Disaster Management Agency (BNPB) notes that more than 90 percent of disasters in Indonesia are hydrometeorological disasters. For example, tornadoes, landslides, floods, and forest and land fires (karhutla). Therefore, the government initiated a disaster pooling fund in order to overcome the high disaster risk in Indonesia. This is to answer the needs of the regions for fast funds. In particular, areas that usually have a high risk of disaster occurrence.

According to Cornelius, there have been many natural disasters from the past until now, and there will be more in the future. Only the timing is uncertain. The death toll, injuries and damage, the destruction of people's homes has been in the millions with enormous economic losses. This creates problems in the rehabilitation and reconstruction of post-natural disasters for houses that have been damaged and destroyed, because it requires no small amount of money. The victims of the disaster did not have enough money, many lost their source of income, while the government budget was very insufficient to provide assistance and losses. If a natural disaster occurs, so that the rehabilitation and reconstruction of residential houses cannot be carried out properly and quickly.

### **The Importance of Natural Disaster Insurance in Indonesia**

In the book *The 100 Greatest Disasters of All Time* by Stephen J. Spignesi, two disasters in Indonesia are ranked 22nd and 30th. The eruption of Mount Tambora on Sumbawa in 1815 claimed 150,000 lives and lowered the Earth's temperature. The eruption of Mount Krakatoa in 1883 claimed 36,000 lives. If the book was compiled after the Aceh tsunami, the disaster that claimed the lives of around 300,000 people would be in 18th position.

On 27 May 2006 an earthquake devastated Yogyakarta and its surroundings. Information released on the website of the Implementing Coordination Unit (Satkorlak) as of 27 June 2006, there were 5,778 dead and 37,883 injured. More than 612,000 houses and public facilities were

damaged. Material losses are estimated at Rp 29.2 trillion. Since the Aceh tsunami at the end of 2004 until now, there have been at least five major disasters, such as landslides at the Leuwigajah TPA, Nias earthquake, Yogyakarta earthquake, Sidoarjo hot mud, and flooding in Sinjai, and its surroundings. Now we are still warmly discussing the earthquake and its negative impact as well as the difficulties faced by the government in helping its people, in connection with the earthquake and tsunami in the southern region of Java Island. Data on casualties and property have not been completed yet. I do not know how many more human victims and their belongings were swallowed up by the incident.

From the geographical, climatological, and geological aspects, Indonesia is under the threat of natural disasters. Located between two continents and two oceans, and dozens of active volcanoes, Indonesia is highly prone to landslides, storms and volcanic eruptions. Not to mention the threat of flooding and drought. Indonesia's position, which is located at the confluence of three continental plates, namely the Eurasian, Indo-Australian and Pacific plates, makes Indonesia's territory included in the Pacific ring of fire which can cause devastating earthquakes. From the demographic aspect, the size of the population can trigger riots or man-made disasters.

In these uncertain times, we need to be extra vigilant about several things. Not only the risk of life safety, unexpected disasters such as earthquakes and floods also bring other risks. Including losses for damage to valuable assets, such as houses or places of business, as well as vehicles. As one of the efforts to anticipate and overcome these risks, insurance protection is here to provide protection benefits from loss of economic value, or losses experienced.

Throughout 2020, the National Disaster Management Agency (BNPB) recorded that there were more than 2,000 natural disasters dominated by floods, with the total number of damage to houses exceeding 42,000. In addition, the increasing number of housing in urban areas in the form of densely populated residential areas, also presents the potential for disasters. For example, such as fire and theft that pose a risk of loss or damage, the more likely it is.

Protecting property assets with insurance from these risks is the right step to minimize losses that arise due to disasters. Moreover, in addition to disaster risk, insurance can also protect the property we have from robbery or theft when we stay away for a long time. For example, such as

when on vacation or a trip out of town.

Natural disasters are disasters that cannot be predicted when they will occur. Only the power of God knows when a disaster occurs and the extent of the disaster. As humans, we only try to minimize the impact of losses due to natural disasters. Moreover, Indonesia is a country that is quite familiar with natural disasters. Such as floods, volcanic eruptions, earthquakes, tsunamis, and other natural disasters.

The impact of natural disasters will be felt by the victims immediately. Among other things, the emergence of losses both material losses, financial losses, to the loss of loved ones. Anticipation steps from losses caused by natural disasters is to follow insurance. Especially for people who live in active mountainous areas and areas prone to natural disasters. Like landslides and earthquakes.

One of the efforts or efforts that can be made to reduce the impact of economic losses due to natural disasters is to have insurance. With insurance, losses experienced by natural disasters can be borne by the insurance company. As long as we follow the protection program and pay the premium.

VP Director PT Asuransi MSIG Indonesia, Bernard P. Wanandi emphasized the importance of insurance to anticipate losses due to earthquake earth or other natural disasters in Indonesia. According to him, everyone needs to think seriously about their personal and property protection plans. One of the best protections is one that is able to provide comprehensive benefits, ranging from personal accidents to material losses. It is important to protect yourself and the property you have with the best insurance. The right insurance is insurance that is able to provide coverage for personal and family accidents as well as property damage caused by an earthquake.

The geographical location of Indonesia as a country that is quite prone to disasters, makes people have to prepare themselves for protection. Unfortunately, not many people know what to do to prepare for an earthquake.

The first thing to do is to have good knowledge about earthquakes in addition to recognizing the environment and evacuation routes for activities. In addition, routine preparations can also be made at work and at home by making sure the furniture (cupboards, cabinets, etc.) are set against the wall (nailed, tied, etc.) and place heavy items on the lower shelves to avoid fall, collapse, shift during an earthquake,

Store flammable materials in a place that is not easily broken to avoid fire, and always turn off water, gas and electricity when not in use.

If you look at the trend from 2016-2020, on average every year there are 2,815 disasters. The amount is not small, of course, moreover, every incident must cause loss of life and damage to property and public facilities. The high incidence of natural disasters is inseparable from the position of the Indonesian territory which is located between the Ring of Fire or the Pacific Ring of Fire which stretches from Nusa Tenggara, Bali, Java, Sumatra, Himalayas, the Mediterranean, and ends in the Atlantic Ocean.

This geographical condition makes Indonesia very vulnerable to volcanic eruptions, earthquakes and tsunamis. Not to mention the natural disasters caused by the bad behavior of humans who exploit the earth's wealth without regard to the preservation of nature so that it has the potential to cause floods and landslides. In addition, non-natural disasters such as the Covid-19 pandemic, which is currently not over.

Unfortunately, the real potential for disaster vulnerability has not been fully realized by the government, the community, and business actors, especially Micro, Small and Medium Enterprises (MSMEs) as a risk that must be insured. Currently, awareness to insure property from the risk of loss due to natural disasters is still very low. The Indonesian General Insurance Association (AAUI) noted that the penetration of natural disaster insurance is still relatively small despite an increase of 0.5 percent throughout 2020.

In fact, by insuring property, material losses that occur will be replaced by the insurance company. And when added to life insurance, the family or heirs left behind will get a claim payment according to the policy purchased.

In practice in the insurance industry in the country, coverage for the risk of loss due to natural disasters is generally part of the expansion of benefits bundled with general insurance products such as property insurance, property insurance, motor vehicle insurance, engineering insurance, goods transport insurance, electronic equipment insurance, and insurance. other. Most of the participants are large business actors and the upper middle class.

On the other hand, the number of MSME actors who reach 64.2 million or 99.99 percent of the total number of business actors in Indonesia, has not been fully exploited. The premium value for disaster protection which is considered

expensive is often the reason for the low penetration of disaster insurance to MSME actors.

As a result, every time a natural disaster occurs with MSMEs as victims, the government must intervene to provide assistance taken from the state treasury. In the end, the state treasury is short or in deficit because the budgeted emergency funds are often not sufficient for disaster management needs due to the large losses experienced or the large financing gap.

The Fiscal Policy Agency (BKF) of the Ministry of Finance noted that during the 2005-2017 period, the government allocated an average of IDR 3.1 trillion in disaster reserve funds. However, the average direct economic loss per year due to disasters in the 2000-2017 period is IDR 22.8 trillion. This means that there is a financing gap of IDR 19.75 trillion or 78 percent. The most recent example is how the APBN deficit must be widened to 6 percent to cope with the Covid-19 pandemic which is designated as a non-natural national disaster.

Therefore, in handling natural and non-natural disasters, the government should involve insurance companies through an integrated mechanism in order to maintain the balance of the state budget and increase the capacity of the insurance industry. In fact, AAUI considers it is time for the government to include insurance as part of disaster mitigation so that it no longer relies on the State Revenue and Expenditure Budget (APBN). The revision of Law No. 24/2007 on Disaster Management is the right momentum to include disaster risk mitigation through insurance.

Disaster insurance is a mitigation program for potential losses that may arise due to natural disasters, such as earthquakes or floods. This product is covered by Loss Insurance and the protection provided is not limited to earthquakes and floods.

In the Indonesian Earthquake Insurance Standard Policy - the Indonesian General Insurance Association (AAUI) it is stated that an explanation of the risks of earthquakes, volcanic eruptions, fires and explosions following the occurrence of earthquakes and volcanic eruptions and tsunamis is borne by the insurance company. But to get it, you must have property, fire or motor vehicle insurance products first. Understandably, this clause is a guarantee that you must extend in a standard policy.

For that, the premium paid is certainly more expensive than usual. But considering the magnitude of the risk that can be borne, it seems

quite reasonable to extend the coverage. Especially for those of you who have been living in areas where disasters often occur. Calculate carefully what kind of expansion you need, whether flood, earthquake or full insurance. To show an overview of the premium that must be paid, you can use the formula Amount of coverage x Rate of Premium. The result is the premium you have to pay to get the insurance expansion.

Like other insurance products, if you experience a loss due to an earthquake or flood, you can file a claim for the loss suffered. But beforehand you must prepare other supporting documents such as claim reports, photocopies of the policy, Certificate from the Head of the Region or Kelurahan regarding the disaster event, Minutes from the local Police, a complete report on the causes of loss and damage and evidence relating to the incident. Later after that, you can get compensation whose numbers are in accordance with the policy given. Therefore, read carefully the insurance policy that you have and if you experience a disaster you can immediately file a claim.

### **Types and Methods of Claiming Natural Disaster Insurance**

The first type of insurance that must be owned in anticipating natural disasters is life insurance. It can be said that compared to all types of insurance that exist, life insurance is the most important to have. Because this insurance relates to a person's life. In this context, it does not mean that life will be protected from natural disasters. But so that loved ones can get financial protection if something happens to you. No one can predict what will happen in the future, including the arrival of natural disasters that are likely to take lives, and this is the importance of having life insurance. Please note that how to claim natural disaster insurance for life insurance needs to go through several steps first, which are as follows:

#### ➤ Providing Accurate Information

If you act as a person who makes a life insurance claim, then the way to claim natural disaster insurance that must be done is by providing complete information to the insurance company. Explain that the insured has died, such as preparing a copy of the death certificate issued by the hospital. Generally, the insurance company will ask for things related to the insured, such as the insurance policy number, insurance policy status, and all matters

relating to the death of the insured. If all the required information is considered complete enough, then the insurance company will then send a claim statement form that must be filled out.

➤ Completing the Required Files

After the insurance claim statement form has been filled in, the insured must then complete the necessary documents, namely:

1. Policy and Endorsement with original files;
2. Photocopy of all laboratory and radiological examination results;
3. Photocopy of ID card or identity of the beneficiary;
4. Death certificate from a doctor or hospital containing the cause of death;
5. Certificate of death from the local government;
6. Original Police Certificate (BAP) if the insured dies due to an accident.

➤ Insurance Claim Analysis Process

If all documents and files are complete, then the next method of claiming natural disaster insurance is by verifying the status of the policy whether it is still active and effective. In addition, the analysis will also include personal data of the insured, information related to death and verification of sharing of evidence regarding the truth of the insured's death. If the insurance claim has been declared true and valid, then the next insurance company will calculate the obligations that must be paid to the heirs.

➤ Final Procedure

The final procedure in the way of natural disaster insurance claims for life insurance is the payment of insurance claims to the insured's heirs. For this stage, it is better if the insured informs the bank account number to the insurance company. Keep in mind that disbursement of funds will take quite a long time because insurance companies are required to conduct a thorough and careful analysis.

The next type of insurance that should be prepared is vehicle insurance, especially when a flood disaster occurs. Of course, this insurance is very necessary in order to minimize the risk of loss involving the vehicle you own. To get protection

for natural disasters that occur in car insurance or what is known as the God Act, you will need an expansion of protection, namely the additional risk borne by the insurance company. In general, vehicle insurance only covers the cost of repairs due to an accident or loss. However, this will be excluded if the insured applies for the extension of the insurance.

➤ Documents Required for Submission

If you want to apply for vehicle insurance, you need to prepare several documents in advance, namely:

1. Photocopy / Scan of ID card;
2. Copy / Scan SIM;
3. Photocopy / Scan STNK;
4. Vehicle Photo (Conditional);
5. Documents Required for Claim;
6. LKKB (Motor Vehicle Accident Report);
7. Photocopy of Insurance Policy;
8. Photocopy of vehicle registration;
9. Photocopy of driver's license;
10. Photocopy of the Insured's KTP;
11. Original BPKB;
12. Vehicle Invoice;
13. Police Certificate (for theft/lost cases);
14. Vehicle Ignition Key (for theft/lost case);
15. Subrogation Letter (for cases of theft/loss);
16. Block Letter (for theft/lost case).

➤ How to Claim Natural Disaster Insurance for Vehicles

Please note that the way to claim natural disaster insurance for vehicles is slightly different from how to claim vehicle insurance in general. In addition to having to apply for extended coverage, the insured must also go through several claim procedures as follows:

1. Contact the call center or insurance representative office to provide detailed information about the incident, the position of the vehicle, and the condition of the natural disaster that is happening;
2. Then, immediately disconnect the car's power, including the battery. Do not try to start the car engine if conditions do not allow. For example, a car has been submerged in water due to a flood;

3. It's better if you immediately ask for evacuation assistance to avoid engine damage;
4. Prepare all the documents needed to simplify the claim process;
5. In general, claim reporting must be done a maximum of 72 hours after the incident. However, these rules are flexible and depend on each insurance company. Be sure not to delay in filing a claim.

Then the next insurance is property insurance. The house is the most important asset in life and is a primary need that must be met for every level of society. Even though a natural disaster itself is an event that can't be predicted at all, it doesn't mean we have to give up without taking any anticipation. One way to protect your property is to have property insurance. Not only the house will get protection, property insurance will also protect all the furniture in it. In the future, the insurance will cover all the costs of damage to the house due to various events, such as floods, fires, earthquakes, explosions, and many more.

➤ Documents Required for Submission

If you want to apply for property insurance, the insured also needs to prepare several documents in advance, namely:

1. Photocopy / Scan of ID card;
2. Photocopy of Company Deed (if the insured property is an office or building);
3. Photocopy of Land Certificate;
4. Photocopy of Building Permit (IMB);
5. Photocopy of Land and Building Tax (PBB).

➤ How to Claim Natural Disaster Insurance for Property

Maybe there are still many people who hesitate to have property insurance because they are considered to have to go through a claim procedure that tends to be complicated. In fact, how to claim insurance for natural disasters or various other events related to property is not as difficult as we imagine. Here's how to claim natural disaster insurance for property:

1. Make sure that the claim is submitted before the deadline. Usually, property insurance will include different claims reporting time requirements, depending

on the policy purchased. However, claim reporting usually has a time limit ranging from 7 days, 14 days, to 30 days from the event;

2. Contact the call center of the insurance company so that a representative from the insurance company conducts surveys and investigations related to the incident, including conducting interviews and calculating the estimated value of damage or loss;
3. Prepare all the documents required for a claim according to the company's request;
4. Submit all documents and supporting evidence to the insurance company within 15 days;
5. If the requested documents are correct and complete, the insurance company will make a payment proposal and ask for your approval;
6. After the policyholder agrees and signs the proposal, the sum insured will be given immediately.

The next insurance that will be very useful when we become victims of a natural disaster is earthquake insurance. Most insurance companies have earthquake protection products. Earthquake insurance serves to protect assets from risks caused by earthquakes. In general, the protection offered by insurance companies is not only for earthquakes, but also covers the risk of other natural disasters. Such as volcanic eruptions, tsunamis, and explosions or fires due to the impact of an earthquake or volcanic eruption. Some earthquake insurance services also cover the risk of flooding and landslides. If you have earthquake insurance coverage, your assets such as your house and all its contents will be protected by insurance.

This type of insurance coverage for natural disasters is usually available with a specific focus such as tsunami and eruption insurance for micro business owners. If the impact of the disaster makes the policyholder's business unable to run anymore, the insurance company will provide the insured fund. Earthquake insurance services offered by insurance companies are subject to standard earthquake insurance policies issued by the Indonesian General Insurance Association (AAUI).

Therefore, when you decide to buy an earthquake insurance product, read the policy carefully before signing an agreement to buy a policy. The insurance company will provide the

sum insured. Earthquake insurance services offered by insurance companies are subject to standard earthquake insurance policies issued by the Indonesian General Insurance Association (AAUI).

In addition to the insurances above, a person also needs to have health insurance protection. Because usually natural disasters will present an accompanying disease outbreak. Diseases that can arise from natural disasters such as cholera and malaria that occur after floods, as well as asthma and shortness of breath due to volcanic eruptions. Therefore, having insurance is one of the anticipatory steps to protect yourself from diseases caused by these natural disasters. By having health insurance, policyholders will get comprehensive health protection against the risk of contracting diseases due to natural disasters.

Health insurance protection is also useful for minimizing losses that may arise due to natural disasters such as loss of property. With health insurance coverage, policyholders no longer need to spend money to cover medical expenses or treatment due to illness after a natural disaster occurs. The costs covered by health insurance usually include hospital fees, doctors, and medicines. Before buying health insurance, you should compare products from one insurance to another, and pay attention to what risks can be protected by the health insurance you want to buy.

Agricultural insurance is also very important to be owned by people who work as farmers and have rice fields with a very large area. With this insurance, it can provide protection from unpredictable disasters. This causes crop failure, such as disasters caused by pests and even natural disasters that can damage agricultural crops. This insurance can provide financial protection on agricultural land in case of unwanted risks. Agricultural insurance can also be extended to cover protection for livestock, in addition to protection for rice fields only.

The government through Asuransi Jasindo has launched agricultural insurance. This insurance specifically protects farmers from risks that threaten their farming activities. Jasindo Agri has a Rice Farmer Business Insurance service. Guaranteed protection is given against the risk of drought, disease, pests, and flooding. Losses due to floods or droughts can be reduced if you use this agricultural insurance. Moreover, there are still subsidies from the government for monthly premium payments. That is the benefit of natural disaster insurance for premium holders in the event of an unwanted risk as a result of a natural

disaster. Therefore, you can choose the type of insurance according to your needs by paying attention to what risks may arise and can provide losses and what protection is most needed to minimize the impact of losses due to natural disasters.

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The last one is earthquake insurance. Earthquake insurance is one of the most suitable insurances for the people of Indonesia. As we know, Indonesia's geographical location is in an area prone to earthquakes. Our country is often hit by earthquakes ranging from very small scale earthquakes to very large earthquakes. One of the most powerful earthquakes accompanied by a tsunami ever occurred in Aceh. Many people not only lost their property as a result of being swept away by the tsunami and damaged by the earthquake, but people also lost their relatives and family members. You certainly want to protect and prevent major damage or loss due to frequent earthquakes that occur in Indonesia.

One way that can be done is to find an insurance company that guarantees you and your property from natural disasters such as earthquakes. Currently, there are many insurance companies that offer insurance for various purposes and provide guarantees in large amounts. One type of insurance offered is the type of insurance that is caused by natural disasters such as volcanic eruptions, fires, large explosions, tsunamis and earthquakes. Before you choose insurance that suits your needs, it's a good idea to read some of the tips below. The insurance as the name suggests is insurance that will provide coverage for loss and damage caused by an earthquake.

This kind of insurance usually not only provides coverage for those of you who are affected by an earthquake but also affected by other disasters such as volcanic eruptions, tsunamis and fires. Later if you have this insurance you will get compensation for goods that have been guaranteed which are damaged due to earthquakes or vibrations. This earthquake can be caused by tectonic movements or it can be due to volcanic eruptions. In addition, a guarantee will also be given to you in the event of a fire or explosion caused by an earthquake directly. All losses will be covered and you will be given a guarantee quickly. If the damage is caused by an earthquake accompanied by a tsunami, you can also get a guarantee for all damage to the agreed goods such as property or buildings.

## CONCLUSION

In essence, we can minimize any losses caused by earthquakes, floods, or other disasters that may occur. It can be seen how much loss caused by natural disasters. Worse, natural disasters can also cost us our lives and leave our loved ones behind. Maybe when we don't have a disaster, insurance will look like an added burden. However, the benefits provided by insurance will be felt when a disaster loss occurs. The types of insurance that we can use to cope with the risk of natural disasters are life insurance, property insurance, vehicle insurance, and others. So, be smart we take precautions and choose the right insurance according to the risks that may arise.

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