

**UNDERSTANDING WHY INSURANCE COMPANIES DO NOT SPIN OFF  
SHARIA BUSINESS UNITS FROM THE CORPORATE ENTREPRENEURSHIP  
ANGLE POST THE ISSUANCE OF THE FINANCIAL SECTOR DEVELOPMENT  
AND STRENGTHENING LAW (PPSK LAW)**



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**Abstract**

Based on the results of situational analysis, problematic situations, strategies, and the proposed model as explained above, several conclusions can be drawn. The high number of Muslim people in Indonesia encourages companies to innovate in creating new products that are easier for the public to understand, especially related to Sharia insurance. The existing condition of the insurance industry is driven by the real growth trend of Sharia insurance customers, which can be used as a measure of industry growth. When compared with other countries, there are similarities and differences between Sharia and conventional insurance governance. This can be used as a comparative reference to optimize the management of the Sharia insurance industry. Based on the results of the situation analysis, it is known that the current condition of the Sharia insurance industry is not optimal because there has been no serious effort from the regulator to integrate all potential from upstream to downstream in all elements of the Sharia insurance industry. From the results of the interview analysis, it was revealed that the strategy considered to be the most effective and the main priority in developing the Sharia insurance industry is increasing human resource competency through intensive and continuous training. This aims to overcome the shortage of professional human resources in the fields of insurance and sharia economics while ensuring quality improvement.

**Keywords:** Spin-Offs, Sharia Business Unit, Corporate Entrepreneurship, PPSK Law

## INTRODUCTION

Insurance is a form of risk management, namely transferring risk to an insurance company. Insurance customers transfer their risks to the insurance company by paying premiums according to the transferred risk (Sari & Nasution, 2023). In general, insurance is divided into general insurance (non-life), life insurance (life), and social insurance. Apart from that, insurance is grouped into two: Sharia insurance and non-sharia or conventional insurance. Insurance with Sharia principles or *takaful* is offered by Sharia insurance companies (full pledges) and Sharia business units (UUS) of insurance companies.

The Islamic insurance sector has the smallest portion of the Islamic finance industry, with assets of USD 73 billion, or around 2% of total global Islamic finance assets. Sharia insurance growth reached double-digit growth of 17% in 2021. This growth is one percent higher than the previous year.

In Indonesia, there are a total of 60 insurance companies with sharia principles consisting of 45 UUS and 15 Sharia insurance companies that are fully operational. The proportion of Sharia insurance company assets is dominated by Sharia life insurance amounting to Rp. 35,358 Billion or 78.24%. Meanwhile, the proportion of Sharia general insurance is Rp. 7,527 billion or 16.66% and sharia reinsurance Rp. 2,304 Billion or 5.10%.

As much as 82.87% of Sharia insurance contributions or gross premiums are life insurance contributions. Meanwhile, Sharia general insurance has a gross contribution proportion of 11.20% or Rp. 2,414 Billion. Meanwhile, Sharia reinsurance has a contribution proportion of IDR 1,276 billion or 5.92%.

The uniqueness of Sharia insurance lies in the principle of mutual assistance between participants. In *takaful*, participants share risks (risk sharing). Meanwhile, in conventional (non-sharia) insurance, the insured transfers his risk (risk transfer) to the insurance company (Insurer). Apart from that, Sharia insurance adheres to the principles of not allowing *gharar* (something that is not clear), *maisir* (gambling), and usury. In sharia insurance, participants

can receive *mudharabah* (profit sharing) for the results of managing participant funds. Apart from that, from the production side of premiums or contributions. Property insurance and motor vehicle insurance business lines are the two top products contributing to conventional insurance premiums. In Sharia insurance, the two top contributors are the motor vehicle insurance business line and personal accident insurance (Ayuni & Rahmani, 2023).

Indonesia is the fifth largest takaful market in the world with assets worth USD 3 billion. Takaful in Indonesia is largely driven by the growth of Sharia banking. Law no. 40 of 2014 requires Sharia business units to be separated into stand-alone entities or spin-offs in October 2024. Since the publication of this law, only a few UUS have carried out spin-offs. Most recently, Prudential Life Assurance Indonesia also established PT Prudential Syariah Life Assurance in April 2022.

On December 15<sup>th</sup>, 2022, the DPR passed the Draft Law on Development and Strengthening of the Financial Sector (RUU PPSK) which officially became Law (UU). This law amends several previous regulations in the financial sector including Law No. 40 of 2014 concerning Insurance. The PPSK Law changes the provisions for UUS spin offs which were initially carried out no later than 2024. Spin-off provisions including the timing are entirely within the authority of the Financial Services Authority (OJK). This affects the business plans of insurance companies that have Sharia business units. Overall, this has changed the competitive landscape of the Sharia insurance business. Companies that initially planned to spin off can postpone it. Companies that previously would not spin off Sharia business units can change their minds and still maintain them. The main issue is more about business considerations. In general, Indonesia's Sharia insurance business is still very small. The Financial Services Authority (OJK) noted that the market share of the Sharia insurance industry is still relatively low, namely only reaching 5.3% at the end of 2021.

In recent years, the Indonesian financial industry has experienced rapid changes triggered by developments in technological innovation and financial products or services

(Sasongko & Rachma, 2021). Unfortunately, these changes have not been matched by regulations. Because of this, cases of fraudulent investments, illegal loans, trading robots, and loan sharks have emerged which are assisted by the use of technology. Supervision over this business cannot be carried out optimally, so cases arise in the financial sector, such as payment failures in the insurance sector.

The PPSK Law is a proposal from the DPR RI in the form of an omnibus that forms and revises various laws related to the financial sector. In its formation, the DPR RI and the Government agreed on 5 (five) main pillars of the PPSK Law. Namely, strengthening financial sector authority institutions, strengthening governance and increasing public trust in the financial industry, encouraging the accumulation of long-term funds in the financial sector, strengthening state protection for consumers of financial products, and strengthening literacy, inclusion, and innovation in the financial sector.

This law is intended to overcome and prevent weaknesses in the financial sector so that consumers are better protected and create a healthier financial industry. From a prevention perspective, industry and financial authorities are required to increase literacy and community inclusion activities. In this way, people become smarter and truly understand the benefits, risks, and costs of the various financial products/services they use. Apart from that, another aim is to facilitate and expand consumer access to safe and licensed products/services. Furthermore, the PPSK Law was created to overcome illegal financial technology (fintech) practices. The PPSK Law is also intended to address various cases in the insurance sector. This law confirms the responsibility of insurance companies for the activities of insurance brokers and agents, considering that many cases are caused by mis-selling, such as unit links.

The PPSK Law regulates the Policy Guarantee Program Institution under LPS to protect consumer policy funds if the company experiences financial difficulties. What is also regulated by this law is additional punishment in the form of compensation for losses, so that

consumers who experience losses in cases in the financial services sector, including the insurance industry, can get a refund.

Entrepreneurship has an important role in business creation and growth. In addition, entrepreneurship makes a major contribution to the economic growth and prosperity of a region or country. Entrepreneurs act based on an opportunity that they believe will produce results. Because opportunities are highly uncertain, entrepreneurs must use their judgment to act or not act. They have a different way of thinking than non-entrepreneurs. Often decisions are made in highly uncertain situations with high stakes, the pressure of time constraints, and emotional investment. Therefore, an entrepreneur must i) think structured, ii) use existing resources, and iii) be very adaptive.

Several relevant previous studies examined the topic of corporate entrepreneurship. Chienwattanasook et al. 2019 examined the relationship between corporate entrepreneurship components such as flexible organizational boundaries, availability of time at work, support from management, and wisdom at work on the performance of logistics companies in Indonesia. This research shows that the components of corporate entrepreneurship make a major contribution to the performance of logistics businesses in Indonesia. At the company level, higher corporate entrepreneurship improves business performance in the company. In addition, (Setiawan and Erdogan 2020) conducted a study that focused on corporate entrepreneurship and its implementation in contractor companies as an effective way to increase competitiveness and performance in contractor companies. The research results produced 21 key corporate entrepreneurship factors which were categorized into five dimensions of corporate entrepreneurship, namely: autonomy, competitive aggressiveness, innovation, proactiveness and risk taking. If these key factors of corporate entrepreneurship are implemented in contractor companies in an integrated manner, they will produce maximum company performance and success.

Research on entrepreneurship has been widely carried out and carried out using various methods and aspects. (Kamal Sakhari, 2016) conducted a literature study discussing previous corporate entrepreneurship research and found promising research areas. Potential theories that can be used include attention-based view, institution-based view, knowledge-based view, ambidexterity theory, and network theory. The results of several studies related to the development of corporate entrepreneurship models conclude that corporate entrepreneurship has a very important role in company performance. The dimensions of entrepreneurial orientation are constructed into five, although only 3 dimensions are the most widely used. Research (Lumpkin and Dess, 2001) explored the dimensions of competitive proactiveness and aggressiveness and how these dimensions may be related to each other and to performance. Factor analysis suggests that competitive aggressiveness and proactiveness are distinct dimensions of entrepreneurial orientation. The research findings support the claim that these constructs represent two distinct modes through which companies perceive and act on the business environment. Proactiveness refers to a company's response to market opportunities. Strong proactive tendencies give companies the ability to anticipate changes or needs in the market and be the first to act on them. Competitive aggressiveness, in contrast, refers to a company's response to competitive threats. A strong competitive aggressive attitude gives a company the ability to become a decisive player in a field from competitors and to secure or improve its position.

Corporate entrepreneurship has many definitions. The term corporate entrepreneurship has several meanings, including corporate entrepreneurship, intrapreneurship, corporate venturing, business venturing, and firm venturing. (Sharma and Chrisman 1999) define corporate entrepreneurship as "the process by which an individual or group of individuals, in conjunction with an existing organization, creates a new organization or strategic renewal or innovation within that organization". They emphasize three main categories of corporate entrepreneurship including corporate entrepreneurship, strategic renewal, and innovation in products and services.

The topic of corporate entrepreneurship has only been researched intensively about a decade ago. Even though a lot of research has been conducted, new aspects of entrepreneurship research continue to emerge. Yanto (2017) stated that the three entrepreneurship topics that were least written about in journals from 1990 to 2013 were the role of top management members, entrepreneurial culture, and corporate entrepreneurship. These three topics only appeared in journal writing in the period 2009 – 2013.

Although there is a lot of research on corporate entrepreneurship in business management, corporate entrepreneurship models and theoretical solutions cannot be transferred to all business sectors (Van Wyk and Adonisi 2012). This research focuses on the appropriate corporate entrepreneurship model to be applied to insurance companies.

If measured from Gross Domestic Income (GDP), the Indonesian economy in 2019 increased 6.70% from IDR 14,837.4 trillion in 2018 to IDR 15,833.9 trillion in 2019. In that year, the insurance industry's gross premium receipts increased by 11.0% from IDR 433.4 trillion in 2018 to IDR 481.1 trillion in 2019. Thus, the ratio of gross premiums to GDP increased from 2.92% in 2018 to 3.04% in 2019.

General Insurance Premium Income up to Quarter 4 (Jan-Dec) 2020 was recorded at 76.9 trillion Rupiah, compared to quarter 4 2019 (79.8 Trillion Rupiah) which recorded a decrease in growth of -3.6%. It was recorded that 7 of the 14 General Insurance business lines recorded negative growth at the end of 2020. Where the largest decline was recorded in the Aneka insurance business line (-30.7%) followed by Energy on Shore insurance (-22.2%) and Motor Vehicle insurance (-21.3%).

Insurance claims paid up to the end of 2020 were recorded at 36.1 trillion rupiah, compared to 2019 which was recorded at 36.7 trillion rupiah, recording a decrease of -1.5%. The increase in claims occurred in the Liability Insurance business lines (168.5%), Aircraft Insurance (22.3%), and Property Insurance (13.9%). Meanwhile, other insurance business classes recorded a decline in claims.

The insurance industry is an industry with many players. The number of insurance companies that have business permits to operate in Indonesia as of 31<sup>st</sup> December 2019 is 380 companies, consisting of 151 insurance and reinsurance companies and 229 insurance business support companies (excluding Actuarial Consultants and Insurance Agents). If we look further, insurance and reinsurance companies consist of 60 life insurance companies, 79 general insurance companies, 7 reinsurance companies, 2 bodies administering social security programs, and 3 companies administering mandatory insurance. Apart from the main players who operate directly in the insurance industry, there are insurance business support companies consisting of 160 insurance broker companies, 42 reinsurance broker companies, and 27 insurance loss assessment companies. Table 1 below shows the growth in the number of insurance companies.

## **REVIEW OF LITERATURE**

### **Sensemaking Theory**

The basic idea in sensemaking theory is an ongoing process that looks at (1) how people attend to events, (2) what those events mean, and (3) how the consensually created meaning for those events influences current and future behavior. First, people should pay attention to unusual or different circumstances. Second, once people notice an event, they usually want to know what the event means to them. People want to know, "What's the story?" when they experience an important event. Third, creating meaning for events can influence current and future actions and can help people stay in touch with their ongoing experiences. Weick (1979) summarizes the theme of sensemaking with the question, "How can I know what I am thinking until I see what I am saying?". According to sensemaking theory, organizational members perceive, interpret, and make sense of their environment through ongoing conversations with others. Organizational members consensually construct

accounts that enable them to understand their world and act collectively (Weick and Roberts 1993).

Sensemaking involves forming clear questions and creating clear answers to those questions. According to sensemaking theory, reality is an ongoing achievement that emerges from shared collective efforts to create order and understand what happened after the fact and what is happening now (Weick 1993). The world is an unknowable and unpredictable flow of experiences that people are driven to try to know and understand (Weick et al. 2005). Unfortunately, humans have limitations in their sense organs and brain function, so they cannot pay attention to all possible environmental stimuli. Therefore, people must place these stimuli into some kind of framework that helps them know, understand, explain, and extrapolate (Dunbar 1981; Goleman 1985; Starbuck and Milliken 1988). For example, a “frame of reference” is a general point of view that helps people interpret their experiences (Cantril 1941). The sensemaking process involves three basic components: (1) cues, (2) frames, and (3) connecting cues and frames (Weick 1995). Frames come from past social moments, while cues come from current experiential moments.

### **(Neo) Institutional Theory**

Institutional theory answers the central question of why all organizations in a field tend to look and act the same. The core concept of institutional theory is that organizational structures and processes tend to acquire meaning and achieve stability on their own, rather than based on their effectiveness and efficiency in achieving desired goals, such as the mission and goals of the organization (Miles 2012).

In the early stages of an organization's life cycle, there are many variations in organizational form. However, over time, there is homogeneity in organizational structures and practices. Institutional theory argues that institutions are important components of the environment. Institutions or agencies are defined as "Structures, activities, regulations, normative and cognitive that provide stability and meaning for social behavior" (Scott, 1995).

Examples of institutions include laws, regulations, customs, social and professional norms, culture, and ethics. Institutions exert a constraining influence on organizations, called isomorphism, which forces organizations within the same population to resemble other organizations facing the same set of environmental conditions.

Institutions or institutions exert three types of isomorphic pressure on organizations: coercive, normative, and mimetic. Coercive isomorphism refers to pressure from the entity that owns the resources on which the organization is based. Mimetic isomorphism refers to imitation or copying of another successful organization when the organization is unsure about what to do. Normative isomorphism refers to professionals following standards and practices established by education and training methods, professional networks, and employee movement between companies. New organizational forms do not usually emerge based on the availability of unused resources (Aldrich and Fiol 1994). Legitimacy refers to the extent to which an organization's actions are socially accepted and approved by various internal and external stakeholders (Kostova et al. 2008) and are consistent with widely held norms, rules, and beliefs. When organizations submit to institutional pressures and adhere to social norms for particular organizational structures and processes, they are rewarded by gaining increased legitimacy, resources, and survivability for their operations.

The institutional theory argues that institutionalized activities occur due to influences at three levels: individual, organizational, and inter-organizational. At the individual level, managers follow norms, habits, customs, and traditions, both consciously and unconsciously. At the organizational level, shared political, social, cultural, and belief systems all support following institutionalized traditions of activity. At the inter-organizational level, pressures from government, industry alliances, and expectations from society determine what is socially acceptable and expected organizational behavior, which pressures organizations to seek and act similarly.

## **Entrepreneurship and Corporate Entrepreneurship Theory**

Corporate entrepreneurship, although defined variously by researchers (Morris et al. 2010; Sharma and Chrisman 1999b; Zahra 2015), has long been recognized as a potentially cost-effective way to promote and sustain competitive advantage (Covin and Miles 1999). Some of the more popular terms include Corporate Entrepreneurship (CE), intrapreneurship, entrepreneurial management, Corporate Venturing (CV), Entrepreneurial Orientation (EO), entrepreneurial intensity, entrepreneurial tendencies, entrepreneurial strategy, and corporate entrepreneurial strategy or Strategic Entrepreneurship (SE).

There are three levels of corporate entrepreneurship analysis, namely internal corporate venturing, namely at the individual or small team level, corporate renewal including top management participating in the process, and industry definition, namely in the frame of corporate entrepreneurship actors (Kuratko and Neubert 2018). According to Zahra (1993a), the literature on corporate entrepreneurship shows that corporate entrepreneurship has been interpreted in various ways: as corporate adventure or intrapreneurship within established organizations to seek profits and to improve the company's competitive position with strategic renewal (Dess et al. 1999).

Dess et al. (1999) groups corporate entrepreneurship (CE) into two types of phenomena and processes. The emergence of new businesses in current organizations or companies through internal innovation can be a combination with other companies. Apart from that, CE can take the form of company transformation through strategic renewal, such as the creation of several existing resources. Corporate entrepreneurship in general will focus on creating new businesses or changing strategies within the company.

## **RESEARCH METHOD**

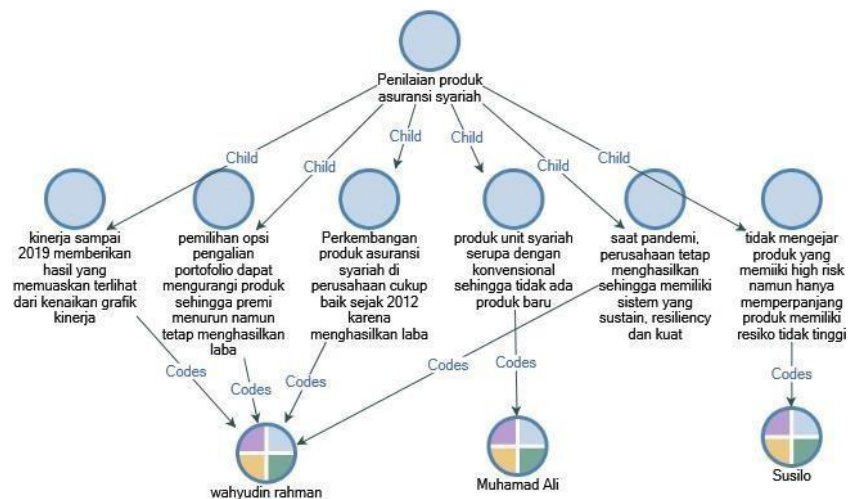
The data used are primary and secondary data. Primary data was collected using an expert survey method representing stakeholders with the aim of obtaining a more precise and

objective assessment of the problem. The method is to conduct in-depth direct interviews or individual depth interviews (IDI), with selected expert respondents determined deliberately (purposive sampling) according to their expertise and experience. The data/information collection instrument is in the form of an expert questionnaire which is distributed to experts and through focus group discussions (FGD). The experts selected to be sources for respondents were 11 (eleven) people from regulators, company leaders and/or insurance organizations, experts, and academics.

To complete the research, secondary data was used. Secondary data was obtained from literature studies, documentation from related parties such as data from OJK, BPS, and associations as well as collecting articles sourced from digital media (newspapers and magazines) and the internet and others according to research needs using the archival analysis method to create a typology. insurance company adaptive strategy and innovation.

## RESULTS AND DISCUSSION

### Product Assessment



**Figure 1.**  
**Product Assessment**

## Sharia Insurance Product Assessment

The company has its assessment regarding Sharia insurance based on its practices and experience as described below:

- In general, performance until 2019 provided satisfactory results as seen from the increase in the performance graph
- Choosing the portfolio multiplication option can reduce products so that premiums decrease but still generate profits
- The development of sharia insurance products in the company has been quite good since 2012 because it has generated profits
- Sharia unit products are similar to conventional ones so there are no new products and are not even conventional insurance products.
- During the pandemic, the company continued to produce so it had a system that was sustainable, resilient, and strong.
- Don't pursue products that have high risk but only extend products that don't have high risk.

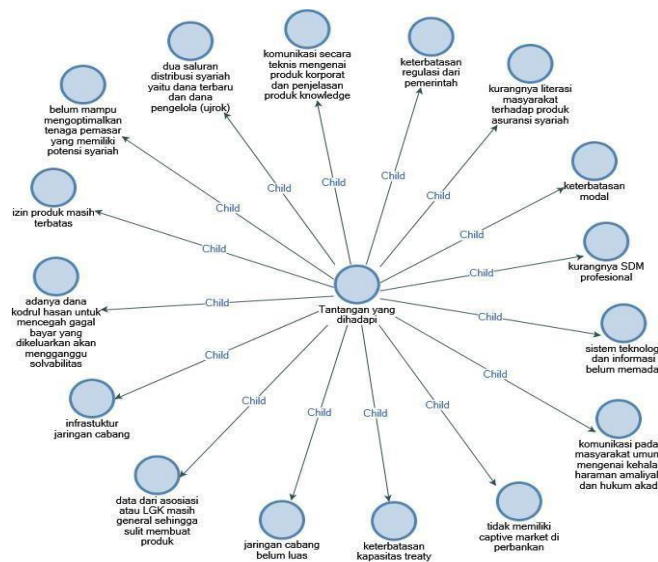


Figure 2.

## Challenges Faced

The Sharia insurance business has several challenges as described below.

- The existence of *qardh* hasan funds to prevent payment defaults that are issued will disrupt solvency.
- Not yet able to optimize marketers who have sharia potential.
- Data from associations or the OJK is still very general and not specific, making it difficult to create product innovations.
- Two sharia distribution channels, namely new funds and management funds (*ujroh*), limit the freedom of UUS
- Branch network infrastructure that does not yet support the development of the Sharia insurance business
- The number of products is still limited
- The branch network is not yet extensive enough to cover geographic areas of service and marketing
- Limited reinsurance treaty capacity
- Communication to the general public regarding the halal haraman amaliyah and contract law
- Technical communication regarding corporate products and explanations
- Product knowledge
- Does not have a captive market in banking
- Capital limitations
- Limited regulations from the government
- Technology and information systems are inadequate
- Lack of public literacy regarding sharia insurance products
- Lack of professional human resources

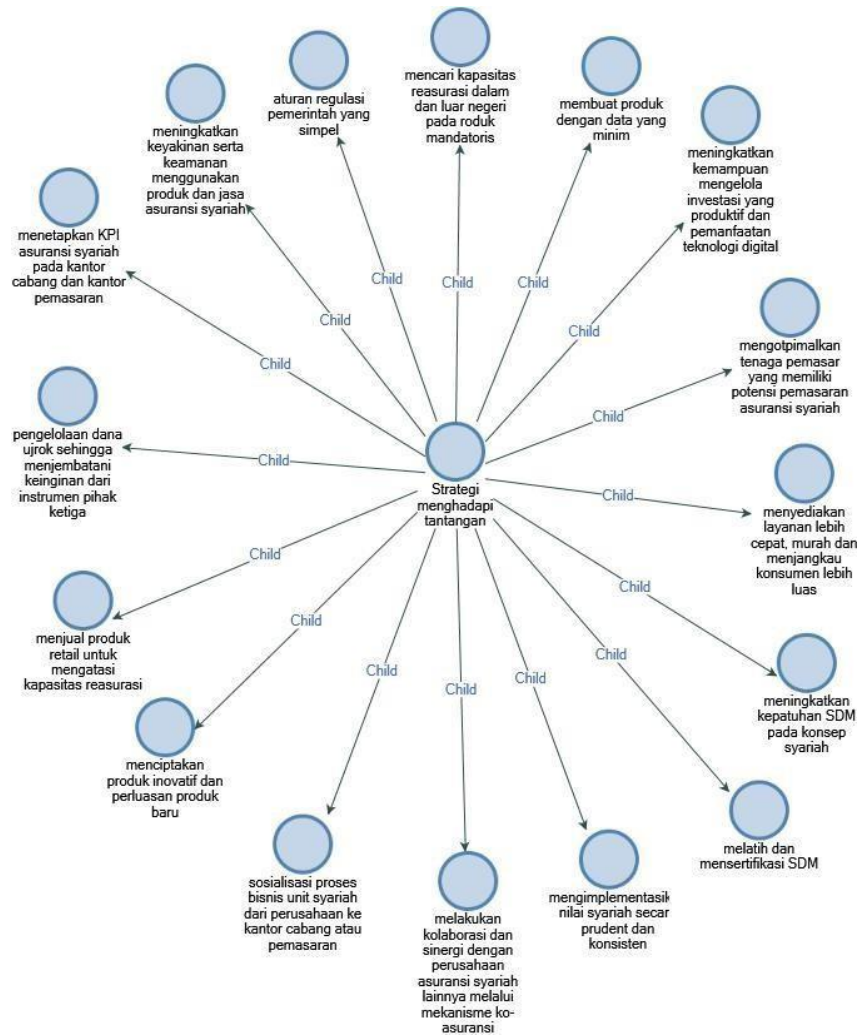


Figure 3.

### Strategy for Facing Challenges

In facing challenges, insurance companies that have Sharia Business Units create business strategies as follows.

- Pushing for simpler government regulations
- Trying to create products with minimal data

- Obtain reinsurance support in the form of domestic and foreign reinsurance capacity for certain products
- Determine sharia insurance KPIs at branch offices and marketing offices to achieve UUS targets and objectives
- Optimizing marketers who have Sharia insurance marketing potential
- Increase the ability to manage productive investments and utilize digital technology
- increase confidence and security in using Sharia insurance products and services
- Selling retail products to overcome reinsurance capacity
- Provide service more fast, cheaper, and reach a wider range of consumers
- Management of *ujroh* funds so that they bridge the wishes of third-party instruments
- Socialization of Sharia unit business processes from the company to branch offices or marketing
- Train and certify HR
- Creating innovative products and expanding new products
- Implementing sharia values prudently and consistently
- Increasing HR compliance with sharia concepts
- Collaborating and synergizing with other sharia insurance companies through a co-insurance mechanism

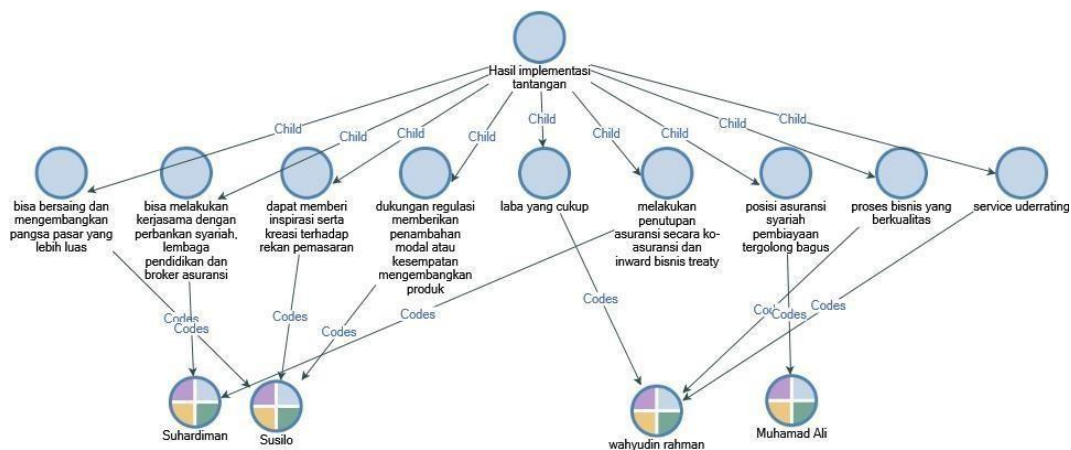


Figure 4.

### Results of Strategy Implementation

After creating a Sharia insurance development strategy, the following are the results of its implementation.

- Companies can compete and develop a wider market share
- Can collaborate with Sharia banking, educational institutions, and insurance brokers
- The company succeeded in making marketing innovations
- Get regulatory support for additional capital or opportunities to develop products
- Obtained sufficient profit
- Carrying out insurance coverage by co-insurance and inward business treaties
- Can gain income from sharia financing company business sources
- Produce quality business processes

## Spin-Offs

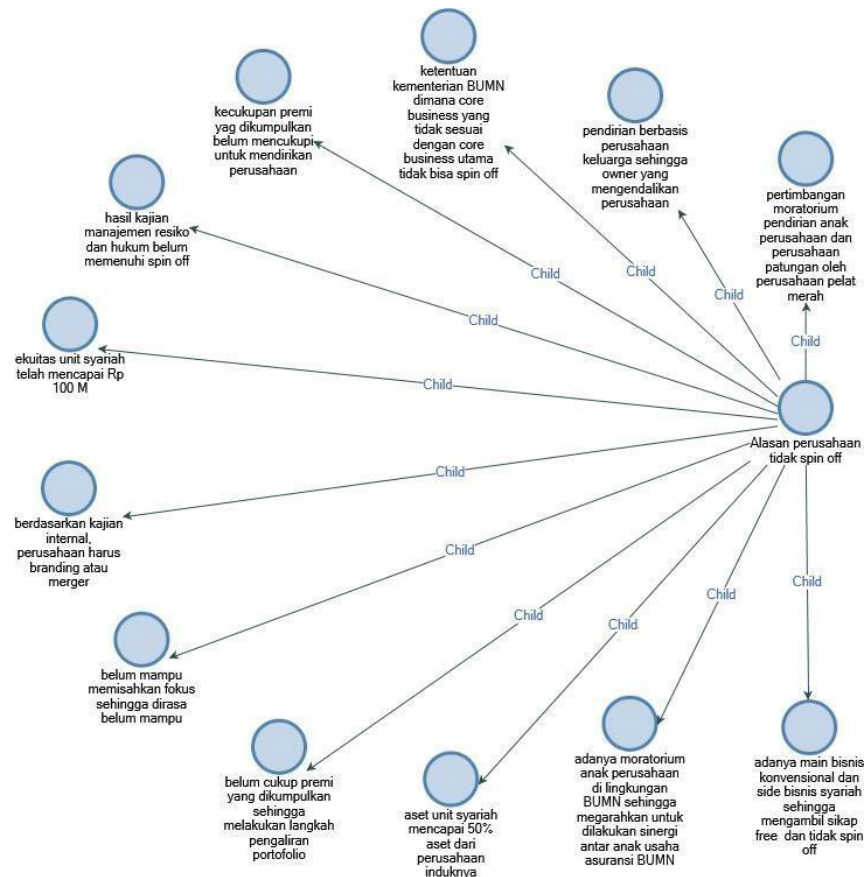


Figure 5.

### The Reason the Company did not Spin Off the Sharia Business Unit (UUS)

Reasons why insurance companies do not spin off UUS:

- The Sharia insurance business has so far been an accommodation for requests from business sources that are not main or side to the conventional insurance business
- The moratorium on subsidiaries within BUMN will lead to synergy between BUMN insurance subsidiaries
- Failure to fulfill the requirements for sharia unit assets to reach a minimum of 50% of the assets of the parent company for spin-off
- Not enough premiums have been collected so we are taking steps to transfer the portfolio

- Not being able to separate the focus so it is felt that they are not able to develop the sharia insurance business
- Based on internal studies, the company must carry out a program
- Branding or merger
- The minimum equity to achieve a UUS spin-off of IDR 100 billion has not been met. The results of risk management and legal studies have not fulfilled the spin-off
- The premiums collected are not sufficient to establish a company that can finance itself
- The BUMN ministry's provisions state that core businesses that are not following the main core business cannot be spin-off
- The establishment is based on a family company so that the owner controls the company
- Consideration of a moratorium on the establishment of subsidiaries and joint venture companies by state-owned companies (BUMN companies or subsidiaries/grandchildren of BUMN)

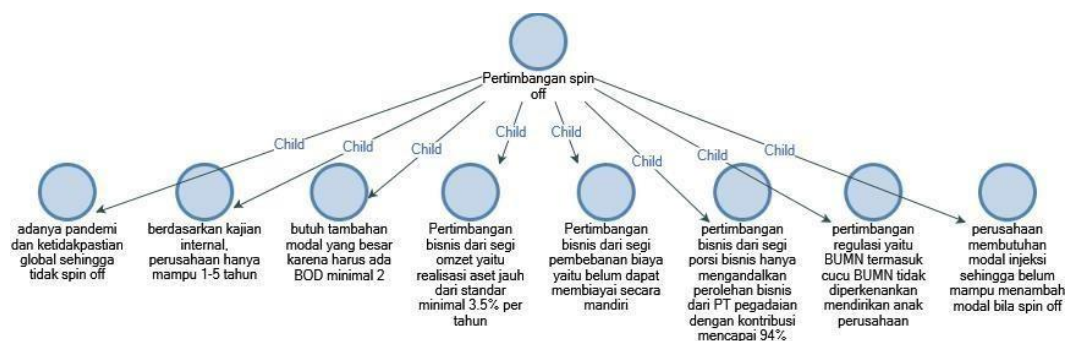


Figure 6.

### Considerations for not spinning off the Sharia Business Unit (UUS)

The company does not spin off UUS considering:

- Pandemic and global uncertainty so no spin-off
- Based on internal studies, the company can only afford 1-5 years
- It requires large additional capital, among other things, due to the requirement for a minimum number of Board of Directors of 3 people

- In terms of business turnover, namely the realization of assets is far from the minimum standard of 3.5% per year
- The costs must be borne by yourself while the company cannot yet be fully independent
- Business considerations in terms of the business portion only rely on obtaining business from certain dominant sources
- The regulation is that BUMN, including BUMN subsidiaries, are not permitted to establish subsidiaries or a moratorium on the establishment of subsidiaries or subsidiary businesses within the BUMN environment.
- Limited funds to increase capital if spin-off

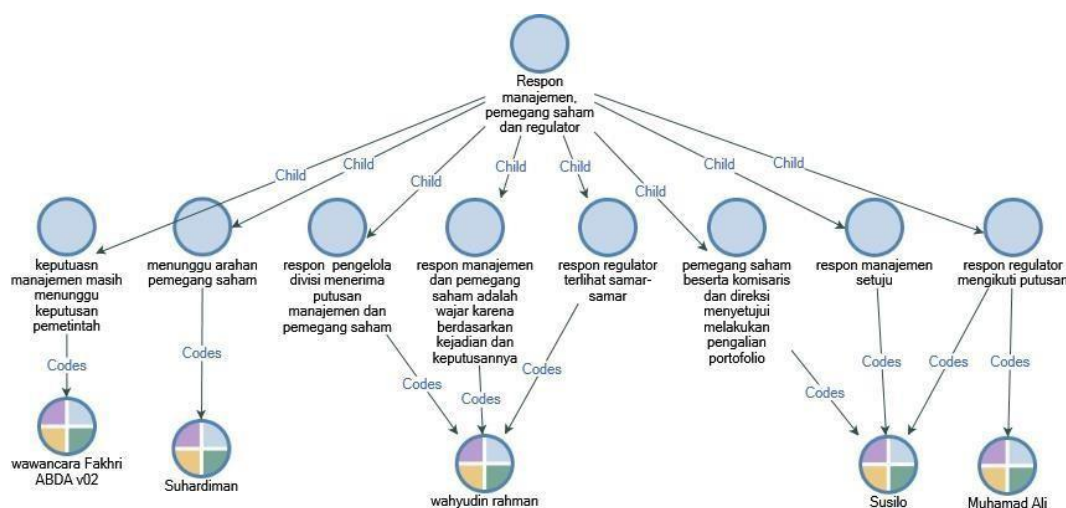


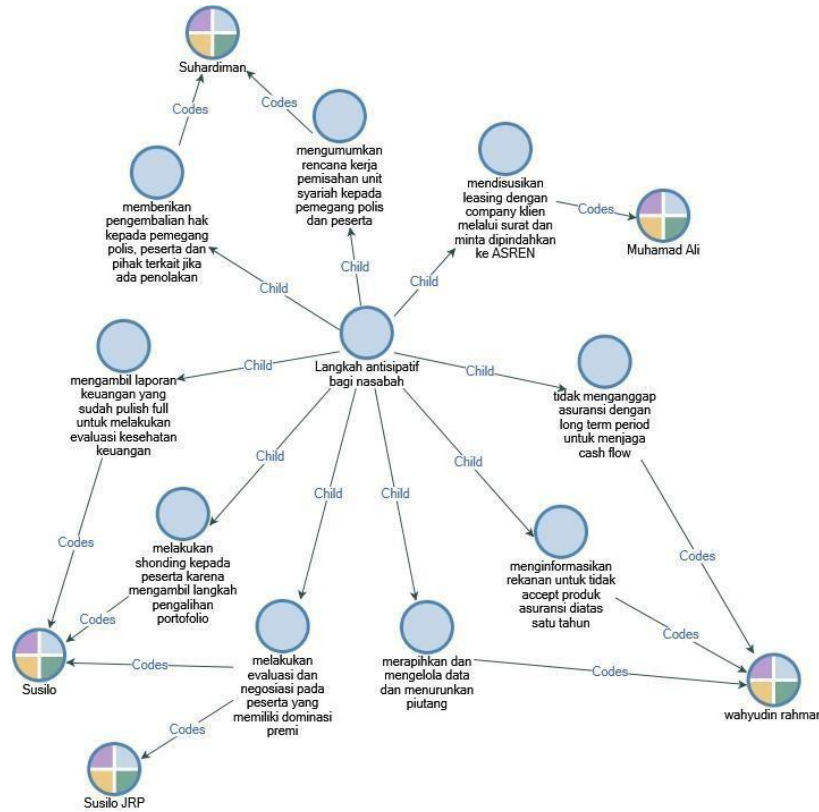
Figure 7.

### Response of Management, Shareholders, and Regulators

Some interesting things are related to the response of management, shareholders, and regulators to the company's decision not to spin off the Sharia Business Unit:

- BUMN Company management decisions await direction or decision from the government as shareholder
- Management of non-BUMN companies awaits shareholder direction
- Division managers accept the decisions of management and shareholders

- The regulator's response is waiting for further regulations related to UUPPSK and its derivative regulations, including approval from the DPR following UUPPSK's mandate
- Shareholders, commissioners, and directors agreed to carry out the portfolio transfer



**Figure 8.**

**Anticipatory Steps for customers when closing a Sharia Business Unit (UUS)**

When UUS is closed, the Company undertakes:

- Communication to participants includes offering to transfer their portfolio or insurance to another insurance company
- Restore the rights of policyholders, participants and related parties if there is a refusal to transfer their insurance to another company

- Discuss financing institutions such as banks, leasing, and corporate customers (participants).
- Conduct a comprehensive financial health evaluation
- Inform the company's associates or partners that the company will no longer sell insurance products with a term (insurance period) of more than one year
- Announce the Sharia unit separation work plan to policyholders and participants
- Organize and manage data and reduce receivables
- Conduct evaluations and negotiations with participants who have large contributions (premiums).

## CONCLUSION

The high number of Muslim people in Indonesia can encourage companies to innovate in creating new products that are easier for the public to understand regarding Sharia insurance. The existing conditions of insurance industry companies are driven by the growth trend of real Sharia insurance customers which can be used as a measure of industry growth. When compared with other countries, of course, there are similarities and differences between Sharia and conventional insurance governance. This can be used as a reference for comparison so that the management of the Sharia insurance industry is more optimal.

Based on the results of the situation analysis, it is known that the current condition of the Sharia insurance industry is not optimal because there has been no serious effort from the regulator to integrate all the potential from upstream to downstream of all elements of the Sharia insurance industry.

Based on the results of the interview analysis, it is known that the strategy that is considered the most reliable and is the main priority in developing the Sharia insurance industry is increasing human resource competency through intensive and continuous training

so that the shortage of professional human resources in the sharia insurance and economic sector is increasing in number and the quality is getting higher.

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