

Indonesia: How Will OJK's New Reporting Requirements Impact Indonesian Insurers?

New set of periodical reporting obligations

Effective 1 January 2025, the Indonesian Financial Services Authority ("**OJK**") has introduced an overhaul of the periodical reporting requirements for the insurance sector. These updated requirements, encapsulated in Regulation No. 22 of 2024 on Periodical Reporting of Insurance Companies ("**Regulation 22/2024**"), were officially enacted on 3 December 2024. The periodical reporting requirements were previously regulated under OJK Regulation No. 55/POJK.05/2017 ("**Previous Regulation**").

Under this new regulation, Indonesian insurers, reinsurers, insurance brokers, reinsurance brokers, and insurance loss appraisers (collectively, "**Insurance Companies**") must adhere to a revamped set of reporting obligations.

The following are some notable highlights from Regulation 22/2024:

No more semesterly reports; quarterly reports have now been reintroduced

Regulation 22/2024 eliminates the obligation under the Previous Regulation for Insurance Companies to file semesterly reports to OJK. However, it reintroduces a previous requirement for Insurance Companies (save for loss appraisers) to submit quarterly reports. That requirement was eliminated under OJK Regulation No. 5 of 2023.

Regulation 22/2024 does not specify the exact contents of the quarterly reports. Under the Previous Regulation, those reports included key elements such as the company profile, a statement from the board of directors (or equivalent), a financial position report, a comprehensive income statement, a cash flow statement, a statement of changes in equity, a solvency level report, a calculation of assets and liabilities, a unit link financial report, a consolidated financial report, and any additional relevant reports. We expect the new quarterly reports will have similar contents. The quarterly reports must be prepared in compliance with the financial accounting standards for insurance contracts and submitted within one month after the end of the relevant quarter.

The below summarizes the prevailing periodical report requirements after these changes:

Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, Sharia Reinsurance Companies and Sharia Units	Insurance Brokers and Reinsurance Brokers	Loss Appraisers
<ul style="list-style-type: none"> Monthly report 	<ul style="list-style-type: none"> Quarterly report 	<ul style="list-style-type: none"> Annual report
<ul style="list-style-type: none"> Quarterly report 	<ul style="list-style-type: none"> Annual report 	<ul style="list-style-type: none"> Other reports
<ul style="list-style-type: none"> Annual report 	<ul style="list-style-type: none"> Other reports 	

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Changes on the type of "other reports" that must be periodically submitted – insurers and reinsurers

Regulation 22/2024 makes significant changes to the "other" type of periodic reporting requirements for insurers and reinsurers. Notably, the following reports are no longer mentioned under the regulation:

- (a) Consumer Education Implementation Report
- (b) Consumer Complaint and Follow-Up Report
- (c) Integrated Governance Assessment Report
- (d) Annual Integrated Governance Report
- (e) Integrated Risk Profile Report
- (f) Integrated Capital Adequacy Report

In addition, Regulation 22/2024 centralizes various periodic reports that were previously scattered across different regulations. These include:

- (g) Business plan (also applicable for brokers)
- (h) Business plan realization report (also applicable for brokers)
- (i) Business plan supervision report (also applicable for brokers)
- (j) Action plan following a self-assessment of financial soundness
- (k) Anti-fraud strategy implementation report (also applicable for brokers)
- (l) Money laundering and terrorism financing risk (also applicable for brokers)
- (m) Data update plan report (also applicable for brokers)
- (n) Data update realization report (also applicable for brokers)
- (o) Appointment and realization of public accountant report (also applicable for brokers)
- (p) Sustainability report
- (q) Actuarial ownership fulfilment report

Adjusted sanctions

As well as introducing new reporting requirements, Regulation 22/2024 adjusts the sanctions for non-compliance. Here's what you need to know:

- (a) Administrative fines for delay
 - (i) Insurers and Reinsurers: IDR 500,000 per day of delay (up to 30 days) or IDR 30 million per report if not filed within 30 days
 - (ii) Brokers: IDR 200,000 per day of delay (up to 30 days) or IDR 20 million per report if not filed within 30 days.

These fines are lower than those under the Previous Regulation.

- (b) Administrative fines for misleading information

While the fines for delays have been reduced, OJK has introduced sanctions for misleading information contained in the reports. For insurers and reinsurers, the fine is IDR 5 million per report, while for brokers, the fine is IDR 2 million per report.

This new sanction for misleading information underscores the critical importance of transparency and accuracy in reporting.

Remarks

It remains to be seen how Regulation 22/2024 will impact the industry. Insurance companies will need to adapt to the new quarterly reporting requirement, which will necessitate more frequent data collection and analysis than semesterly reporting, without compromising accuracy.

It is hoped that the clearer regulatory framework under Regulation 22/2024 can boost the efficiency of reporting compliance for the industry.

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