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LEGAL CONSEQUENCES DIFFERENCES IN THE PERIOD OF LIFE INSURANCE WITH THE PERIOD OF CREDIT AGREEMENT IN THE CASE OF THE DEBTOR DIES (STUDY ON PT. BANK PERKREDITAN RAKYAT RANGKIANG AUR DENAI)

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Abstract: *The existence of credit disbursement carried out by banks certainly contains a risk, and one way to overcome this is to transfer theriskto another party, in this case, namely insurance or coverage. Credit risk due to something that happened to the debtor (died) which resulted in the debtor being unable to pay the credit installments, the insurer will compensate for the loss to the bank. The term of life insurance can be determined for a certain period and can also be determined forever depending on the agreement between the insurer and the insured. The difference in the term of the credit agreement and the term of the life insurance can then trigger problems.*

Key Words: *Life Insurance, Term, Heirs*

1. INTRODUCTION:

The term of life insurance can be determined for a certain period and can also be determined forever depending on the agreement between the insurer and the insured. For the term of the debtor's life insurance agreement, it is adjusted to the term of the credit agreement that gave birth to the insurance coverage. The end of the credit agreement also shows the end of the insurance agreement. If until the credit period ends (the credit has been paid off) there is no event against the debtor, then since then the insurance agreement ends and the debtor does not get a refund of the amount of money from the insurer. Premiums that have been paid in full become the insurance company's profit.

2. THEORITICAL FRAMEWORK:

a. Agreement Theory
   Article 1313 of the Civil Code stipulates that an agreement is an act by which one person or more binds himself to one other person.
b. Legal Certainty Theory
   According to Sudikno Mertokusumo, legal certainty is a guarantee that the law is enforced, that those entitled by law can obtain their rights and that decisions can be enforced.[1]

3. LITERATURE REVIEW:

Insurance or in Dutch "*Verzekering*" means coverage in an insurance involving two parties, namely that one is able to bear or guarantee, that the other party will get compensation for a loss, which he may suffer as a result of an event that was originally not necessarily occurred or originally cannot be determined when it occurs. [2]

According to Remy Sjahdeini, the agreement between the bank as a creditor and the customer as a debtor customer regarding the provision of money or bills that can be equated with that requires the debtor to pay off his debt after a certain period of time with the amount of interest, compensation, or profit sharing.[3]

4. METHOD:

The method used in this study is an empirical juridical approach, namely an approach based on field research methods, namely examining applicable legal provisions and what is happening in people's lives.[4]

5. DISCUSSION:

The term of life insurance can be determined for a certain period and can also be determined forever (term of credit agreement) depending on the agreement between the bank and the debtor. Regarding the term of life insurance, PT. BPR Rangkiang Aur Denai limits debtors with a minimum term of life insurance which is 3 years. If more than 3 years, then this is based on the agreement of the debtor, this is with the consideration that it is not burdensome for the debtor, bearing in mind that the premium for life insurance comes from the debtor's own funds which is carried out immediately after the credit is realized/disbursed.

6. ANALYSIS:

A. Legal Consequences Difference between Life Insurance Period and Credit Agreement Period in the Event of a Debtor's Death

There is a risk of giving credit to a debtor, this risk is faced as a result of the existence of a period of fulfillment of achievements with counter-performance that has been agreed between the two parties. The longer the time period for the credit given, the greater the risk.[5] In granting this credit, one of the risks often faced by banks is credit risk. The intended credit risk is the risk that arises as a result of the failure of the *counter party* to fulfill its obligations. To reduce the risks in extending credit, banks are required to pay attention to the principles of sound credit. The guarantee of giving credit to the debtor to pay off his debt in accordance with what was agreed is an important factor that must be considered by the bank. To protect money disbursed via credit from the risk of loss, the banking sector creates a security fence. Under no matter how good the conditions or with the best possible analysis the risk of bad credit cannot be avoided, the security fence that is made is usually in the form of collateral that must be provided by the debtor.

B. Settlement of Credit If the Debtor Dies When Life Insurance Has Ended and the Credit Agreement Period is Still Running

In a society that still has many limitations in understanding their rights and obligations, the nature of the insurance agreement which is prepared unilaterally (standard agreement) makes it vulnerable to business practices and the contents of the original agreement (policy) received by the insured which does not place the parties in a balanced condition. is inconsistent with the justice approach. Likewise, the limitation of the insured's rights to the selection of the insurer.[6]

7. CONCLUSION:

From the discussion as explained earlier, several conclusions can be drawn, including:

1) The term of life insurance can be determined for a certain period and can also be determined forever depending on the agreement between the insurer and the insured.
2) The term of life insurance can be determined for a certain period and can also be determined forever depending on the agreement between the insurer and the insured.

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