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# Is the Covid-19 Pandemic Categorized as Force Majeure in a Life Insurance Contract?

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## Abstract

**Key words:**  
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*This article examines whether the Covid-19 pandemic qualifies as a force majeure under the terms of a Life Insurance policy. This article seeks to describe and analyze the nature of the force majeure clause in life insurance during the Covid-19 pandemic and the insurer's liability if the insured's rights are not met. "Normative legal research" is conducted for this investigation. Data is collected from primary, secondary, and tertiary sources, including statutes, books, literary works, legal and non-legal scientific works, and other legal documents. The results of the study indicate that, first, the force majeure clause in life insurance during the Covid-19 pandemic must meet the following criteria: unanticipated events/circumstances; occurrence after the agreement has been finalized; occurrence outside of the insurer's control; the insurer does not bear the risk, and the guarantor is not acting in bad faith. Implementing the force majeure clause in life insurance is not met, as the Covid-19 pandemic is a risk that must be incurred by the insurer and is not excluded by the contract terms. The insurer must execute its obligation to pay claims for the insured's benefits. Second, the insurer is liable if it fails to provide the value of benefits stipulated in the life insurance policy, which is considered a breach of the contract.*

## Introduction

The World Health Organization proclaimed Corona Virus Disease 2019 (Covid-19) a pandemic on March 11, 2020 (Putri, 2020). President Joko Widodo announced the spread of the Covid-19 pandemic to Indonesia on March 2, 2020 (Wibowo, 2020). Two Indonesian residents of Depok are known to have tested positive for Covid-19 after interacting with Japanese individuals known to have contracted the disease (Nuraini, 2020). The Government of Indonesia issued Presidential Decree No. 11 of 2020 regarding the Stipulation of a Public Health Emergency for Corona Virus Disease (Covid-19) and Presidential Decree No. 12 of 2020 regarding the Stipulation of the National Disaster for the Spread of Corona Virus Disease 2019 as a National Disaster in response to this incident (Ihsanuddin, 2020).

Covid-19 has now spread to nearly all districts and provinces in Indonesia. The number of cases and fatalities is on the rise. This situation affects the Indonesian people's political, economic, social, cultural, defense, security, and welfare (Tarigan & Hafandi, 2021).

The spread of Covid-19 in Indonesia on December 13, 2020, revealed 611,631 confirmed positive cases, 18,653 deaths, and 501,374 recovered patients. (<https://www.worldometers.info/coronavirus/>, 2020). On January 13, 2021, there were 858,043 confirmed positive cases, 24,951 deaths, and 703,467 patients who recovered. (<https://www.worldometers.info/coronavirus/>, 2020).

**Table 1.** Increase in Covid-19

Date/month/year	Positive Confirmation	Patient Died	Patient Cured
13 - 12- 2020	611,631	18,653	501,376
13 -01-2021	858,043	24,951	703,464

**Source:** <https://www.worldometers.info/coronavirus/>

Existing data indicate that the impact of Covid-19 on humans has been so severe that victims have died or fallen ill and require specialized care to recover. During the Covid-19 pandemic, the presence of life insurance institutions, particularly health insurance, is essential to transfer the risk of health costs and compensation for casualties of the outbreak.

Law No. 40 of 2014 regarding the Insurance Business (hereafter referred to as the Insurance Law) governs general and life insurance. The life insurance contract regulates the rights and responsibilities of the insured and the insurer because insurance is a contract. According to the provisions of Article 1 point (1) of the Insurance Law, insurance is an agreement or contract between two parties, namely the insurer and the policyholder (Huda, 2017).

In a life insurance contract, the insurer must submit the policy and pay the value of the insurance benefits, also known as compensation. While the insured's right is to receive premium payment following the provisions of the insurance policy and the agreement, the insured's obligation is to pay the premium. The insured must pay the premium by the terms of the policy, as outlined in Articles 246-264 of the Commercial Code, and provide complete and transparent information following Article 251 of the Commercial Code, while the insured's right is to receive an insurance policy containing requests that will be received in the event of a covered event and to receive benefits or compensation following the terms of the policy.

As for the insurer's responsibilities, Article 31 paragraph (1) of the Insurance Law states: ".....The insurance company or the insured should serve or transact with policyholders, the insured, or participants with the utmost expertise, care, and precision." Paragraph (2) states that insurance companies must provide accurate, non-false, and/or non-misleading information to policyholders, the insured, and/or those charging fees.

The Covid-19 pandemic made 2020's most challenging year for the life insurance industry. After the first semester of 2020, the Indonesian Life Insurance Association (AAJI) reported that 58.75 million individuals were covered by life insurance. This number has decreased by approximately 1.4 percent from the same quarter in 2018 to 59.59 million in the first quarter of 2019. In the first half of 2020, policies decreased from 17.6 million to 16.2 million (Sari, 2020).

During the present Covid-19 pandemic, is the risk of exposure to the insured in life insurance the insurer's responsibility, or is it outside of the insurer's responsibility because it falls under the category of pandemics

and therefore, falls under the category of force majeure? This article will therefore examine whether the Covid-19 pandemic is covered under the force majeure clause of life insurance.

Due to its uncontrollable and unpredictable character, the Covid-19 pandemic could be considered a force majeure event in a life insurance contract. It has also disrupted daily life, resulting in an ever-increasing number of deaths around the globe. Therefore, it has been determined that the covid-19 pandemic influences the life insurance contract differentially. For instance, the financial constraints caused by decreased income and high attrition have created a variety of challenging situations for the policyholder to pay their premiums. However, incorporating a force majeure clause into the life insurance contract could benefit the policyholder and insurer. In this regard, particular provisions of jurisdictional laws and life insurance contracts could also be considered to achieve effective results.

### Literature Review

In a contract, the force majeure is regarded as a standard clause. An occurrence is deemed a "force majeure event" if it is unforeseen and cannot be avoided. In the context of various industries, the main effects of this event are project suspension and termination ([Manurung & Heliany, 2020](#)). Therefore, if a force majeure event results in the termination of the project, all parties are deemed responsible for its consequences and hazards. However, in some instances, the contractor is compensated for work completed before force majeure.

In contrast, if a force majeure event causes the suspension of a project, the contractor's timeline is extended. However, legal relationships based on an agreement are not always capable of achieving the specified goals due to unforeseen circumstances, such as fraudulent acts, coercion, or force majeure (also known as "Overmacht" in the context of Indonesian Law) ([Arrizal, 2020](#)), which may affect service users and providers. This circumstance leads to negligible consequences and the termination of the agreement. Force majeure is one of the clauses most incorporated into a main agreement that is not distinguished as an ancillary agreement and is connected as an *accessoir* agreement. However, Force Majeure refers to a situation in which the event is deemed to have a negligible impact on fulfilling contract obligations ([McClung, 2020](#)). It has been determined that covid-19 indirectly or directly affects various industries, including life insurance contracts.

In Islamic law, force majeure is known as *dharurah*, derived from the words *darr*, *yadurru*, and *darran*, which mean damaging or causing damage ([Romah, 2019](#)). The force majeure clause is a clause in which circumstances beyond the parties' control prevent the fulfillment of contractual obligations, including events that occur after the contract has been signed. There is no explicit definition of force majeure in the Civil

Code. Nonetheless, there are provisions regarding force majeure in several articles, including Part IV regarding Compensation for Costs, Losses, and Interest Due to Non-Compliance with an Agreement (Articles 1244 - 1245 of the Civil Code) and Part VII regarding the Destruction of Goods Owed (Articles 1444 - 1445 of the Civil Code). Based on the formulation of the preceding articles, force majeure can be defined as an unforeseen event that occurs without the debtor's fault after the conclusion of the contract and prevents the debtor from fulfilling his obligations before he is declared negligent and therefore cannot be held accountable and does not bear the risk of the incident.

Subekti believes that the debtor demonstrated that the fulfillment of the agreement was not due to entirely unforeseen circumstances and that he had no control over the unexpected circumstances or events. In other words, the agreement's non-performance or delay in implementation is not the result of negligence. He cannot be deemed negligent or at fault, and a blameless person cannot be threatened with sanctions for failure (Sinaga, 2020). Sofwan (1980) cites Vollmar's view that overmatch is a situation in which the debtor cannot pay his debt (absolute overmatch), or it is still possible to pay his debt. Still, it requires a sizeable unequal sacrifice or mental fortitude beyond human capabilities or causes enormous losses.

## Methodology

Force majeure is a situation in which one of the parties to a contract cannot fulfill all or part of its obligations following what was agreed upon due to an event beyond the control of one of the parties that could not have been known or anticipated at the time the contract was made, and where parties who do not fulfill their obligations cannot be held responsible and do not have to bear the risk (Abdullah, & Ghadas, 2023). The qualitative analysis of this study is motivated by Manurung and Heliany (2020). Qualitative research is descriptive and concentrates on concepts and themes about the study area in minute detail. For this investigation, "standard legal research" was employed. To address the purpose of the present study, secondary data were collected from various primary, secondary, and tertiary sources. Primary sources included various legislations and legal documents in determining covid-19 pandemic as a Force Majeure in a life insurance contract. In contrast, secondary sources had past literature, books, and associated scientific work within the context of the legal field. Tertiary sources, however, included non-legal scientific publications such as legal dictionaries, encyclopedias, and the RKUHP.

## Findings and Data Analysis

### *Life Insurance Force Majeure Clause in the Covid-19 Pandemic*

The "Law of the Republic of Indonesia Number 40 of 2014 concerning Insurance" defines insurance as a contract between two parties, the policyholder and the insurance company. The insurance company provides

a premium receipt source as "compensation" for protecting the policyholder or insured individual against losses, legal liabilities, profit loss, and costly damage. In this regard, the policyholder functions as the debtor, who transfers the risk to the insurance company, also known as the creditor, by paying a premium; based on this premium, the creditor agrees to pay the debtor for various possible losses. As indicated in article 246 of the "Indonesian Commercial Code (KUHD)," the insurance contract is highlighted:

*"Insurance or coverage is an agreement, with an insurer binding himself to an insured person by receiving a premium to compensate him for a loss, damage or loss of expected profit which he may suffer due to an unspecified event."*

Nonetheless, various uncertain economic and health-related situations and other unforeseen occurrences, such as covid-19, have been found to impact insurance activities in Indonesia.

Articles 1244-1245 of the Civil Code and 1444-1445 exempt the debtor from all costs, losses, and interest if they can demonstrate the existence of force majeure. Experts define force majeure, which includes Subekti, in which the debtor shows that the non-fulfillment of what was promised was caused by entirely unforeseen circumstances or events over which he has no control over such cases or events. In other words, the agreement's non-performance or delay in implementation is not the result of negligence. He cannot be deemed negligent or at fault, and a blameless person cannot be threatened with sanctions for failure (Sinaga, 2020).

Kusumaatmadja stipulates that force majeure can be accepted as an excuse for failing to fulfill obligations due to losing the object or goal that is the subject of the agreement. Meanwhile, Komar expressed the same view:

The change in a condition was not extant at the time the contract was drafted. The modification pertains to a fundamental condition of the agreement. Such modifications cannot be anticipated in advance by the parties. 4. The consequences of these changes must be radical to change the scope of the obligations that must be carried out following the agreement; 5. This principle cannot be applied to border agreements or changes in circumstances caused by the party making a claim (Romah, 2019).

Vollmar defined overmacht as a situation in which the debtor cannot pay his debt (absolute overmacht), or it is still possible to pay his debt. Still, it requires a sizeable unequal sacrifice and mental fortitude beyond human capabilities or causes substantial losses. (Sofwan, 1980). Hernoko concluded that force majeure/overmacht is an unforeseen event that occurs without the debtor's fault after the conclusion of the contract and prevents the debtor from fulfilling his obligations before being declared negligent and, thus, cannot be held accountable and does not bear the risk

for the incident. Force majeure/overmacht must satisfy the following conditions:

1. The accomplishment of goals is impeded or prevented.
2. The impediment to achieving these goals is not the debtor's responsibility; and 3. Events that impede achievement pose no risk to the debtor ([Hernoko, 2010](#)).

*The development of Force Majeure is subdivided into several categories based on the following criteria, which include the underlying cause:*

1. *Force Majeure due to natural conditions, specifically by a natural event that everyone cannot predict and avoid because it is natural and unintentional, such as flooding, landslides, earthquakes, storms, etc.*
2. *War, blockades, pandemics, terrorism, explosions, and mass riots are examples of Force Majeure situations that cannot be predicted in advance.*
3. *Force majeure resulting from the devastation or loss of the agreement's subject matter.*
4. *Force majeure due to government policies or regulations due to a policy change, deletion, or issuance of a new approach that affects ongoing operations. An instance of issuing a rule that affects fishing objects becomes unimplementable.*

*Depending on the object, force majeure can be classified as either total force majeure, in which the debtor cannot fulfill any of the obligations, or partial force majeure, in which only a portion of the duties cannot be met.*

Based on the subject, which includes a. The occurrence of force majeure when accomplishing goals creates implementation difficulties for specific debtors. In this case, the debtor may still be able to achieve his goals, but only if he makes an unbalanced sacrifice or faces a substantial risk of loss.

To obtain legal certainty regarding the scope of the possibility of force majeure, parties typically include a clause with a list of events that can constitute force majeure. The occurrences of force majeure are as follows: force majeure incident refers to the occurrence of:

1. Acts of God (including, but not limited to, fires, explosions, earthquakes, droughts, tsunamis, and flooding).
2. War, hostilities (regardless of whether war has been declared), invasion, acts of foreign enemies, mobilization, requisition, or embargo.
3. Revolt, revolution, uprising, military or usurped power, or civil conflict.
4. Contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel, toxic radioactive explosives, or other hazardous properties of any explosive nuclear assembly or nuclear component of such a community.
5. Riot, commotion, strikes, go-slows, lockouts, or disorder, unless confined to Supplier employees or his Subcontractors only.

Acts or threats of terrorism; or Other unforeseen circumstances beyond the Parties' control against which it would have been unreasonable for the affected party to take precautions and against which the affected party cannot avert the event despite its best efforts ([Harnowo, 2021](#)).

The force majeure exceptions for life insurance in Mandiri Sejahtera Summary are as follows:

1. The insurer will not pay Maslahat. It will only pay the Interest-free Investment Value as of the Valuation Date if the Insured dies before the Policy Expiration Date for any of the following reasons (whichever occurs first):
  1. Committing suicide or attempting suicide in any way.
  2. Intentional criminal or illicit acts committed by Policy Holders, Participants, or those interested in and wish to utilize this insurance coverage.
  3. Being subject to the application of the death penalty; or
    - a. Self-harm activities, intentionally placing oneself in hazardous situations or engaging in dangerous activities (unless attempting to save lives) or engaging in fights, criminal acts, or attempted criminal acts, whether active or not, or as a result of insanity.
    - b. Occupations or careers directly associated with ammunition, projectiles, or other explosives.
    - c. Events that occur in nations with a high level of political and insecure security risk, such as Afghanistan, Iraq, Libya, Nigeria, North Korea, the Palestinian territories, Somalia, South Sudan, Sudan, Syria, Yemen, Iran, Belarus, Cuba, the Democratic Republic of the Congo, Zimbabwe, Russia, and Ukraine.
    - d. g.e. Sports activities performed unprofessionally and/or in the winter, such as, but not limited to, water surfing, ice skating, and other sports activities performed competitively that result in monetary compensation or payment.
    - e. h.f. Jobs or occupations that use hazardous materials, such as, but not limited to, asbestos, benzene, arsenic, cadmium, ethylene oxide, benzo [a] pyrene, silica, ultraviolet radiation, including devices that can emit ultraviolet-tanning, radon, aluminum, and coke production, raw materials for iron and steel, and the rubber manufacturing industry.
    - f. Participants' high-risk occupations or professions may include pilots, flight technicians, cabin personnel, or other high-risk jobs/professions and the consequences of high-risk lifestyles.
    - g. The insurer will not pay the Maslahat as long as the provisions of Paragraph 1 of this Article are observed. It will only pay out the Interest-free Investment Value established as of the Valuation Date when the Insured passes away.
    - h. Exceptions to the payment of Additional Insurance Benefits will be governed in greater detail in the Additional Policy Terms.
  4. If there are any differences between the exclusion arrangements outlined in this article and the Additional Terms of this Policy, then the



- j. Additional Policy Provisions shall govern (<https://www.scribd.com/document/481098226/>, 2021).
- k. No varieties of outbreaks or pandemics fall into the category of exceptions that the insurer does not cover based on the policy's exceptions. Similarly, if we compare it to the Sinarmas life insurance policy (Sinarmas MyPlan iB Insurance Policy), Article 5 concerning Exceptions states: 1. The Insurance Company has the right to refuse to pay claims if the Participant dies not due to an accident but due to one of the following:
- l. a. suicide or court-ordered death sentence if the event occurs within two years of the insurance's expiration date.
  - a. Intentional criminal acts committed by Participants or those interested in this insurance.
  - b. Diseases directly or indirectly induced by AIDS (Acquired Immune Deficiency Syndrome), ARC (AIDS Related Complex), or HIV (Human Immunodeficiency Virus).
  - c. The Insurance Company reserves the right to deny payment of claims if the Participant dies in an accident due to any of the following:
  - d. Participants intentionally participate in a crime, conflict, or similar activity.
  - e. Riot.
  - f. Substance abuse, intoxication, and mental illness cause accidents directly or indirectly.
  - g. War (declared or undeclared), invasion, occupation, rebellion, civil war, and usurpation of power, or Participant is drafted.
  - h. Any endeavor or attempt at suicide.
  - i. Participated in flights involving aircraft other than commercial passenger aircraft.
  - j. Boxing, karate, judo, silat, wrestling, and similar sports; water skiing, parachuting, rock climbing, and mountain climbing (more than 2500 m); and agility/speed competitions utilizing motorized vehicles, bicycles, horses, boats, and aircraft;
  - k. Participant's occupational risk (occupational risk) for military, police, pilot, non-commercial aircraft, miner, and other high-risk occupations/positions.
  - l. Pregnancy, abortion, or delivery.
  - m. Food/drink poisoning or inhalation/ingestion of chemical elements (<https://www.maybank.co.id/en/HDP/tabungan/>, 2021).
  - n. As there are no risk exclusions in the two insurances listed above that exclude the risk of Covid-19, it can be concluded that the risk of a pandemic (not yet identified as Covid-19) was not banned in terms of the life/health insurance agreement in the time the policy was created. According to the law, the insurer is responsible if the insured contracts Covid-19. Nevertheless, if a warranty expressly excludes virus outbreaks, pandemics, and government actions, neither party can assert force majeure due to the Covid-19 outbreak. Consequently, the parties must continue fulfilling their responsibilities under the applicable agreement.

The Indonesian General Insurance Association explained that life/health insurance policies generally do not exclude Covid-19-related risks. This indicates that the health insurance provider can cover the cost of treating the Covid-19 infection. All insured or health insurance policyholders should review their policies or contact their insurer for information regarding guaranteed disease risk. This is because the benefits of insurance policies issued by different insurance companies may vary. So long as the policy is in good standing, the insurer will compensate the insured for Covid-19 because the insurer is obligated by the value of the agreed-upon benefits in the insurance policy unless it is expressly stated in the approach that the Covid -19 consequences are not covered. This is not the same as travel insurance, which has an exclusion due to Covid-19. Losses associated with loss of life, health costs, and medical expenses during the trip are typically well covered, whereas coverage for trip cancellation is uncertain.

The Indonesian Life Insurance Association (AAJI) ensures that the 60 life insurance companies' members of AAJI can assume the risks associated with policyholders affected by the coronavirus outbreak (Covid-19). Chairman of the AAJI Management Board Budi Tampubolon stated that, although the government has guaranteed treatment for infected patients, all members of life insurance under the auspices of AAJI do not exclude the risk of the Covid-19 pandemic, i.e., private insurance companies bear it. Sixty Life Insurance providers do not exclude coverage for the Covid 19 pandemic. For instance, PT Prudential Life Assurance compensates customers who test positive for Corona for up to 30 days at IDR 1 million per day. Customers with a positive record between January 28 and April 30, 2020, are eligible for this compensation, as the official website details. Meanwhile, PT Asuransi Jiwa Manulife Indonesia ensures that policyholders who test positive for Covid-19 receive immediate health coverage without waiting. You will also receive up to IDR 200 million in additional retirement benefits (<http://www.cnbcindonesia.com/market/>, 2021).

The General Takaful Insurance Policy for the Personal Accident Plus Covid-19 Policy covers Covid-19 transmission risk expressly. This policy addresses the requirements of the affected community. The terms and conditions govern worldwide protection; waiting period of 14 (fourteen) valid calendar days, except for purchasing Covid-19 insurance accompanied by proof of a negative Covid-19 PCR test in the last 7 days; participants are Indonesian citizens; this protection applies to all professions; the insurance entry age for the insured is at least 6 (six) months and no more than 65 (sixty-five) years old; the claim must be filed no later than 14 (fourteen) calendar days from the date of occurrence

The exceptions in the *Takaful Personal Accident Plus Covid-19 Insurance* policy are in the exception section No. 5. Suffering from hernias, epilepsy, sunburn, and all kinds of diseases except as a result of being infected with the Covid-19 and No. 8 viruses Being attacked or infected with disorders or viruses or germs other than the Covid-19 virus in the broadest sense -

widespread and causes among other things the emergence of fever (heavy fever) typhus, para typhus, dysentery, food poisoning (botulism).

## Liability of the Insurer during the Covid-19 Pandemic

*Overmacht* or *force majeure* in the provisions of the Civil Code is found in Book III, part IV concerning reimbursement of costs, losses, and interest due to non-fulfillment of the agreement (Articles 1244-1245 of the Civil Code) and Part VII of the destruction of goods owed (Articles 1444-1445 of the Civil Code). The formulation of these articles is as follows:

Article 1244 of the Civil Code stipulates that:

*If there is a reason for that, the debtor must be punished to compensate for costs, losses, and interest if he cannot prove that the agreement was not carried out at the right time due to something unexpected and cannot be accounted for, all of that if no bad faith in him.*

Article 1245 of the Civil Code stipulates that:

*There is no reimbursement of costs, losses, and interest if, due to coercive circumstances or an incident that is not intentional, the debtor is prevented from giving or doing something that is required, or because of the same things, he has committed a prohibited act.*

Article 1444 of the Civil Code stipulates that:

*If certain goods that are the subject of the agreement are destroyed, cannot be traded, or are lost, it is entirely unknown whether they are still there. The contract is terminated, provided that the goods are destroyed or lost without the debtor's fault and before he neglects to deliver them.*

Even if the debtor neglects to deliver an item while he has not been responsible for unexpected events, the agreement will still be null and void if the thing is destroyed in the same way in the hands of the debtor if it has been handed over to him.

Article 1445 of the Civil Code stipulates that:

*If the goods owed, beyond the debtor's fault, are destroyed, can no longer be traded, or are lost, then the debtor, if he has rights or claims for compensation regarding said goods, is obliged to provide requests and demands. It is to the person who owes it to him.*

Based on the formulation of the articles above, then *force majeure*, it can be concluded that circumstances release a person or a party who has obligations to fulfill based on an agreement that does not or cannot perform their duties from the responsibility to provide compensation, costs and interest, and/or from the responsibility to fulfill obligations.

Based on the above formulation, we can conclude that the articles in the Civil Code are related to elements of *force majeure*:

1. Unforeseen events.
2. Not accountable to the debtor.
3. There is no intention from the debtor.
4. There are unforeseen circumstances by the debtor.
5. The debtor's condition prevented the debtor from achieving.
6. If the achievement is carried out, it will be subject to a ban.
7. Circumstances beyond the fault of the debtor.
8. The debtor does not fail to excel.
9. This incident could not be avoided by anyone (the debtor or other debtors, and
10. The debtor is not proven guilty or negligent.

The legal consequences of *force majeure* impact the parties to the agreement. According to Setiawan, this *force majeure* forced the deal to stop working and resulted in the following matters (Setiawan, 1994):

1. Creditors are no longer able to request fulfillment of achievements.
2. The debtor can no longer be declared negligent and therefore is not required to pay compensation.
3. The risk of not transferring to the debtor; And
4. Creditors cannot demand the cancellation of mutual agreements.

Mariam Darus Badruzaman stated that this *force majeure* resulted in the agreement not working, even though the agreement still exists, in this case:

1. The creditor cannot demand that the agreement be fulfilled.
2. Cannot say the debtor is in a state of negligence and, therefore, cannot sue.
3. The creditor cannot request termination of the agreement.
4. In a reciprocal arrangement, the obligation to perform counter-performance falls.

The things that need to be known in connection with this *force majeure* are as follows: the debtor cannot express the existence of such a *force majeure* by refusing and, based on the position of a judge, cannot deny a claim based on a *force majeure*, the debtor bears the burden of proving coercion.

According to Agus Yudha Hernoko, *force majeure* or *overmach* is an unexpected event that occurs beyond the debtor's fault after closing the contract, which prevents the debtor from fulfilling his achievements before he is declared negligent and, therefore, cannot be blamed and does not bear the risk for the incident. Force majeure events have the following consequences:

1. Creditors cannot demand fulfillment of achievements.
2. The debtor can no longer be declared negligent.

3. The debtor is not obliged to pay compensation.
4. The risk is not transferred to the debtor.
5. Creditors cannot demand cancellation in a reciprocal agreement; And
6. The engagement is considered void.

## Discussion and Conclusion

This force majeure will have repercussions for the parties' accountability. Regarding the risk of liability in the event of a force majeure, several hypotheses offer various arguments, including:

The objective theory assumes that achievement is not feasible for everyone, i.e., it is an absolute impossibility for everyone (see section 1444 of the Civil Code). The subjective theory begins with the premise that achievement is impossible for the debtor in question, related to relative impossibility by considering the debtor's personal or subject circumstances. The risk theory rejects that overmatch or force majeure begins where the risk ends. This means that the debtor must pay compensation if he cannot demonstrate that the impediment to the achievement's implementation was caused by circumstances for which he is not responsible. According to Nima Norouzi, the pandemic may or may not be a cause of force majeure. Each case requires analysis of the contract in question, what was agreed upon regarding the reasons for force majeure, and whether the breached obligation or obligations directly resulted from that cause. In brief, COVID-19 does not alter the current contract compliance and non-compliance regulations. Nonetheless, depending on the circumstances, it may or may not constitute a cause of force majeure exempting liability, in which case it must be accredited or proven by the party invoking it, its configuration, and a causal link to the unfulfilled obligation, i.e., a circumstance that could not have been foreseen or avoided, rendering it impossible to fulfill the debt in question ([Norouzi et al., 2021](#)).

During the Covid-19 pandemic, the nature of the force majeure clause in life insurance must meet the following criteria: unforeseeable events/circumstances; occurrence after the agreement has been finalized; circumstances beyond the insurer's control; the insurer does not bear the risk, and the guarantor is not acting in poor faith. Implementing the force majeure clause in life insurance is not met because the Covid-19 pandemic is a risk that must be incurred by the insurer and is not excluded by the force majeure clause in the life insurance contract. The insurer is liable if he fails to provide the value of benefits indicated in the life insurance policy clause during the Covid 19 pandemic, which is considered a breach of the life insurance contract.

## Theoretical and Practical Implications

In its decision no. 409/Sip/1983, the Supreme Court stated that a coercive situation could be viewed as a consequence of a calamity that even the most

capable parties cannot prevent. Before the Supreme Court decision No. 24K/Sip/1958, force majeure had already ruled out any possibility or alternative for the party affected by force majeure to perform its contractual obligations. (Hilmy & Yusuf, 2020).

This research has both theoretical and practical relevance. This study has proven effective in enhancing knowledge regarding Covid-19 as a Force Majeure in an Indonesian Life Insurance Contract. Almost no previous research has focused on covid-19 as a force majeure in the context of insurance activities, making it difficult to conduct a comprehensive literature review for this study. However, this study has the potential to effectively fill this gap and encourage future researchers to contribute to the subject at hand.

In addition, this study can potentially persuade policymakers and other affiliated organizations to make significant policy changes regarding the force majeure clause in the context of insurance contracts, emphasizing the incorporation of this clause to protect policyholders' rights. This strategy could also effectively encourage several individuals to enter an insurance contract, resulting in financial advantages for the insurance industry.

### Future Directions

Based on these three theory categories, the insurer must pay the insured the benefit value corresponding to the insured's exposure to Covid-19. This is considered default if the insurer fails to meet its obligations. Given that the pandemic/outbreak of the Covid-19 virus is not covered by the exceptions in Life/Health Insurance Policies in general. If a new life insurance policy is issued after the Covid-19 Pandemic and the insurer excludes the Covid-19 virus from coverage, the situation is different. Therefore, the insurer must strictly designate the Covid-19 outbreak/pandemic (outbreak) as a force majeure event; after that, both the Covid-19 virus outbreak/pandemic and the government lockdown can be used as reasons for force majeure.

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