

Procedure for Claiming Unsecured People's Business Credit (KUR) Insurance with Bad Loan

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Abstract

The government is trying to develop business assistance to MSMEs through the People's Business Credit (KUR) program without collateral with a maximum ceiling of 100 million. However, it is no longer an open secret that the problems often faced by Banks are bad loans. So there needs to be a guarantor who can be a third party between the customer and the bank which will be an alternative solution to the problem of bad credit. This study aims to determine the procedure for credit insurance claims on unsecured KUR who experience bad credit. This research is descriptive. Based on the results of the discussion, it can be concluded that in the procedure for submitting an unsecured KUR credit insurance claim that must be paid by the guarantor to the bank is 70% x the remaining principal + overdue bills which are included in the collectibility category of 6 (five) or loss. Credit insurance claims that have been paid by the guarantor against the bank does not relieve the People's Business Credit (KUR) customers from the obligation to pay off the People's Business Credit (KUR) and the bank continues to collect the People's Business Credit (KUR) customers.

Keywords: Creditors, Debtors, Insurance claims, People's Business Credit (KUR)

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1. Introduction

Economic development is one part of national development as a mandate of Pancasila and the 1945 Constitution of the Republic of Indonesia. Economic development starts from small business activities to banking. In order to realize the good of a just people and prosper in accordance with the mandate of the constitution, the government makes efforts to respond to the problems in people's lives. In reality, not all people, especially the lower middle class, have sufficient capital to open or develop businesses and their productivity. Therefore, most of them take business assistance in the form of credit to make it as business capital. Such business assistance is obtained through banking institutions, cooperatives, and even individual creditors (loan sharks).

The government's efforts in developing business assistance for Ministry of Micro Small and Medium Enterprises continue to be carried out so that the wheels of the economy continue to spin. One of the government's efforts that is also in the spotlight for business developers is the People's Business Credit (KUR) program. In addition to low interest rates, the KUR program does not require collateral if the required capital is less than 100 million rupiah. Based on the Regulation of the Coordinating Minister for Economic Affairs of the Republic of Indonesia Number 1 of 2022 regarding Guidelines for the Implementation of People's Business Credit, it is stated that KUR collateral consists of principal collateral and additional collateral. The principal collateral as referred to is a business or object financed by KUR. Additional collateral for KUR Micro and KUR placement of Indonesian Migrant Workers (TKI) is not required and without an engagement.

However, in the discussion of credit will certainly not be separated from the discussion of non-performing loans. Non-performing loans must exist in bank lending activities because it is impossible for banks to avoid non-performing credit events. Loans that are given if many are in default will cause huge losses to the Bank. So that banking activities are not disrupted due to bad credit, it is necessary to make an agreement between the customer and the bank called a credit agreement (Diasti & Inayah, 2018). The

imposition of mortgage guarantees in granting credit does not guarantee banks from credit risk. Especially on unsecured loans. Therefore, it is necessary to have credit insurance that accompanies the provision of credit to customers (Putro *et al.*, 2019).

Credit insurance is a form of insurance that exists on both individuals and businesses. The existence of credit insurance aims to provide defense against the risk of payment defeat by customers that may occur in a credit transaction. In credit insurance, the subject of the insured is a Commercial Bank/Financial Financing Institution that submits a request for credit insurance not the bank that provides loan funds from the Bank (Rastuti, 2011). While the object of coverage in credit insurance is the risk that causes losses experienced by the Bank due to bad loans from the bank.

This study aims to determine the procedure for credit insurance claims against KUR without collateral to customers who experience bad credit. So the author is interested in conducting a discussion on this topic.

2. Literature Review

Credit agreement

The definition of a treaty is regulated in Chapter II Book III of the Civil Code on "Agreements Born of Contracts or Agreements", starting from Article 1313 to Article 1351. In Article 1313 is formulated the meaning of a covenant, namely: "An act by which one or more persons bind themselves to one or more others" (Muhammad, 2000). The definition of a covenant also includes a marriage agreement that is regulated in the field of family law, even though what is meant is the relationship between the debtor and the creditor regarding property.

The term credit itself comes from the Latin "credere", which means trust. It can be said in this relationship that the creditor (who gives credit, usually the bank) in the credit relationship with the debtor (customer, credit recipient) has confidence, that the debtor within time and on mutually agreed terms, can return (repay) the credit concerned (Usman, 2001).

Meanwhile, the definition of credit is known in Law Number 10 of 1998 regarding Banking Article 1 number 11:

"Credit is the allocation of money or bills that can be identified to it based on an agreement or loan agreement between the Bank and another party that obliges the borrower to pay off its debt after a certain period of time with the distribution of interest."

Credit agreements themselves are not regulated in detail in the Banking Act. Some legal experts argue that a credit agreement is essentially a loan and loan agreement as stipulated in the Civil Code. R. Subekti argued that "in any form the permitting of credit is held, in all of which it is essentially a loan agreement as specified in the Civil Code Articles 1754 to 1759".

People's Business Credit (KUR)

Based on the regulation of the Minister of Finance number 135 / PMK.05 / 2008 on credit guarantee structures for popular enterprises, credit for popular enterprises (hereinafter abbreviated as KUR) is a credit or loan to MSMEs (cooperatives of micro, small and medium enterprises) in the form of making available working capital and investments assisted by guarantee facilities for productive enterprises. Djoko Retnadi, an observer and banking professional interprets KUR as Working Capital Credit (KMK) and/or Investment Credit (KI) with a credit ceiling of up to Rp 500 million granted to micro, small, medium-sized enterprises and cooperatives (UMKMK) who have productive companies that will receive guarantees from the Guarantor Company.

There is also an unsecured People's Business Credit (KUR), which is a credit/financing scheme specifically intended for MSMEs and Cooperatives whose businesses are viable but do not have sufficient collateral according to the requirements set by the banks. A viable business referred to here is a business that has been established for at least two years and has been considered established according to the principles of this unsecured KUR.

As explained in the previous chapter, the launch of the KUR follows the signing of a Memorandum of Understanding (MoU) on 9 October 2007 on credit guarantee/financing to MSMEs and cooperatives between the government (Ministry of State for Cooperatives and SMEs, Minister of Finance, Minister of Agriculture, Minister of Forestry, Minister of Maritime Affairs and Fisheries, Minister of Industry, Guarantor Company (Perum Sarana Pengembangan Usaha and PT. Indonesian Credit Insurance) and Bank (Bank Rakyat Indonesia, Bank Mandiri, Bank BNI, Bank BTN, Bank Bukopin and Bank Syariah Mandiri).

This KUR is supported by Ministry of State Enterprises, Ministry of Economic Affairs Coordination and Bank Indonesia.

Bad debts

Bad debts are a class of non-performing loans. The term non-performing loan has been used by the Indonesian banking world as a translation of problem loan, a term commonly used in the international world. Another term in English that is also commonly used for the term non-performing loan is non-performing loan.

Based on Bank Indonesia Circular Letter Number 26/4/BPPP regarding the Quality of Productive Assets and the Establishment of Allowance for the Elimination of Productive Assets respectively dated May 28, 1993, loans are classified as bad if: (1) Does not meet the criteria of smooth, less smooth, and doubtful; (2) Meeting the criteria is doubtful, but within a period of 21 months from the time it is classified as doubtful there has been no repayment or credit rescue effort; or (3) The credit has been submitted to the District Court or the State Receivables Agency or filed for indemnification with the credit insurance company.

Insurance

In English the word insurance means "insurance" which means to cover something that may happen and "assurance" which means to cover something that must happen. In accordance with the meanings of the word, the insurance business is a business of coverage/risk transfer (Echols & Shadily, 1990). With this business, people can transfer coverage that minimizes the risk of events that may be experienced to the insurance company as much as possible, by providing guarantees and compensation for these events. In addition, insurance companies are businesses that raise funds from the public that can support investment in supporting the development and economy of the State.

Meanwhile, the authentic definition of insurance that is currently in force is as stated in the Law of the Republic of Indonesia No. 2 of 1992 regarding Insurance Business Chapter 1 Article 1, namely:

"Insurance or coverage is an agreement between two or more parties, whereby the policyholder undertakes to the policyholder, accepting insurance premiums, providing reimbursement to the policyholder due to loss, damage or loss of profits expected or legal liability to a third party that the insured may suffer, arising from an unsettled event, or providing a payment based on the death or his life is an insured person".

Meanwhile, the definition of insurance according to O.P Simorangkir is a willingness to decide certain small (few) replacement losses (substitution) for large uncertain losses (Simorangkir, 2000).

From the above understandings, it can be concluded that people are willing to pay a small loss for the present to face the huge losses that may occur in the future in order to pay for the losses that may occur to each of these members. From a mathematical point of view, insurance is a mathematical application in calculating the costs and benefits of risk coverage. Probability laws and statistical techniques are used to achieve foreseeable results.

Bank credit insurance

This credit insurance is given to banks and also to non-banks to provide compensation guarantees and if banks experience congestion in issuing their funds to prospective borrowers. This bank credit insurance has the following benefits: (1) Reduce the risk that banks have because they provide a number of loans; (2) Increase access for small businesses to obtain financing or additional capital.

Based on Law Number 2 of 1992 regarding Insurance Business Statute Book Number 13 of 1992 dated February 11, 1992, it prioritizes insurance arrangements in terms of business and administrative public, which if violated results in the imposition of criminal and administrative sanctions. Regulation in terms of business means that running an insurance business must be in accordance with the applicable rules of insurance and company law. From an administrative public point of view, it means that the interests of society and the state should not be harmed. If this is violated, then the violation is threatened with criminal sanctions and administrative sanctions under the Insurance Law. The application of Law Number 2 of 1992 is regulated by Government Regulation Number 73 of 1992 regarding the Implementation of the Statute Book of Insurance Business Number 120 of 1992.

3. Methods

Types of research

The method used in this study is a descriptive approach because the problems studied are based on debtors and creditors, law, banking, and credit insurance. The specifics of the research used according to the problem-solving procedure under study by describing the object and subject of the law at the present time based on the existing facts.

4. Results

Procedure for claiming unsecured people's business credit insurance at PT Askrindo

Micro KUR claim submission can occur due to credit payments by bad debtors so that the bank is guaranteed to submit a claim. The cause of the bad payment of KUR credit is usually caused by the business of debtors that is not smooth, besides that the use of credit for personal needs also causes bad payment of KUR credit.

One of the mandatory requirements for the completeness of the claim submission file is the attachment of the debtor's Business Certificate (SKU). The Micro KUR Credit Program organized by guaranteed parties and guarantors has various types of MSMEs owned by debtors. During the task of checking the completeness of the document, the author observed that most of the efforts of debtors to apply for KUR loans are as follows The textile business is one of the commodities that is quite promising for the state, to develop the role of textile MSMEs, the government provides a Micro KUR program to fund MSME actors who have potential but do not have sufficient collateral. One of the primary human needs is food. This type of MSME certainly has very good prospects for the future, therefore this type of food MSME has quite good strength if it is developed again, one of which is by increasing capital to increase production and product quality. One of the efforts to increase social interaction in this sophisticated era is the presence of grocery stores. A well-managed grocery store, in terms of buildings, locations and products sold will certainly increase customer interest, as an effort to deal with this, the presence of the KUR Micro credit program seems to be the answer. Animal feed stores have good income prospects if managed properly. Meeting the needs of livestock is certainly very necessary in society, considering that not all farmers are able to meet the needs of their livestock.

Submission of a claim occurs because the debtor does not carry out obligations in credit payments to the bank, the bank can submit a claim to PT. Askrindo with the following conditions The credit agreement has matured and the KUR debtor does not immediately pay off the loan repayment commitment. Credit comes in at a collectibility position (4) or is in doubt. KUR Customer Service makes a letter of submission for KUR claim guarantors. A letter of submission of KUR claims made by the unit bank, not directly sent by the unit bank to PT. Askrindo instead has to go through a branch office. The required documents are a letter of requirement for filing a claim. This letter contains that the debtor is indeed experiencing an installment to the bank, thus making it difficult for the bank to submit a claim to PT Askrindo. This letter 7 contains details of debtors who experienced payment constraints so that a claim was filed. The minutes contain an explanation of the credit ceiling which will later become a meeting point for how much loss must be paid by the guarantor company. Copy of KUR credit guarantee certificate. The KUR credit guarantee certificate is made by the guarantor company when the customer will apply for a KUR credit, then the bank will ask the guarantor company to pledge the customer's KUR credit.

The procedure for submitting claims at PT Askrindo (Persero) is as follows, the bank submits a claim submission online through the PT Askrindo (Persero) portal with the bank, then the bank sends a claim submission file to PT Askrindo (Persero) to the claims and subrogation division. After the file is received, the next step is to register the incoming file before further analysis is carried out. Checklist of claim filing files. At this stage, the claims division that handles the KUR and Micro sections must carefully and carefully check the documents for the completeness of the claim submission file. After checking the checklist of claim submission files, the next step is to separate the files that are complete and have submitted a claim by online system with files that are not complete and have not submitted a claim by online system.

The completed file can be processed for calculation and analysis. The analysis of this file is a very important stage in the process of receiving or rejecting claims, because in this stage the analyzer must be careful and careful to be able to determine the disbursement of claims. The analysis was carried out in accordance with the PKS between PT Askrindo (Persero) and the bank. Incomplete files will soon be made an additional data letter from PT Askrindo to the bank. After receiving the additional data letter, the bank must immediately complete the lack of files within six months, if they are not completed immediately, then the file is declared expired and cannot be processed, or the claim is rejected.

The following is the right of the guarantee recipient to submit a claim to the guarantor to be void if one of the following things occurs that the 8 People's Business Credit (KUR) that is distributed is not in accordance with the provisions of the People's Business Credit (KUR). In the event that the beneficiary of the guarantee does not report an extension or additional credit. The People's Business Credit (KUR) has reached an expiry period.

Based on this, the cancellation of the right of the guarantee recipient to the claim, there are several reasons PT Askrido (Persero) does not want to pay the claim submitted by the guarantee recipient, one of which is that the file has reached the expiry period. The expiry period is calculated after six months from the maturity of the credit or six months after the sending of additional data letters to immediately complete the completeness of the claim submission file, so that the claim submitted is rejected because it is not in accordance with the Cooperation Agreement (PKS) between PT Askrido (Persero) and the guarantee recipient.

5. Discussion

Micro people's Business Credit Agreement (KUR) without collateral

The credit agreement is a loan agreement between the customer and the bank. In accordance with the form of the agreement and the customer's obligations, the credit agreement is included in the replacement loan agreement. Although the credit agreement is a special agreement because of the specificity of the bank and the object of the agreement is in the form of money (Supramono, 1996).

Based on the Coordinating Minister for the Economy of the Republic of Indonesia Number 11 of 2017 Article 1 paragraph (1) regarding Guidelines for the Implementation of People's Business Credit, namely:

"People's Business Credit, hereinafter reduced as KUR, is credit/financing of working capital and/or expenditure to individual/individual debtors, business entities and/or business groups that are productive and feasible but do not have additional collateral or insufficient additional collateral".

It is stated in Article 1 paragraph (23) of Law Number 10 of 1998 regarding Banking, namely:

"Additional guarantees are present by debtor customers to banks in order to get credit or financing facilities based on Sharia principles".

Based on the Coordinating Minister for the Economy of the Republic of Indonesia Number 2 of 2021 Article 14 paragraph (4) regarding the Second Amendment to the Regulation of the Coordinating Minister for Economic Affairs Number 8 of 2019 regarding Guidelines for the Implementation of People's Business Credit, namely:

"Additional collateral as referred to in paragraph (1) letter b is not required for super micro KUR, micro KUR, small KUR up to Rp. 100,000,000.00 (one hundred million rupiah), and KUR for placement of Indonesian workers".

The People's Business Credit Agreement (KUR) consists of legal subjects, namely the parties who will bind themselves in a legal relationship in the credit agreement. The parties who will bind themselves in the People's Business Credit (KUR) agreement are the parties that provide credit and those who receive credit. In the People's Business Credit (KUR) agreement it is emphasized that the party providing credit is the Bank while the party receiving the credit is an individual or legal entity (Ibrahim, 2004).

Bad credit insurance claim procedure in accordance with the micro people's Business Credit Agreement (KUR) without collateral

Credit insurance claim is a business made by the bank to a guarantee company, in the People's Business Credit (KUR) is an outstanding credit bill made by the customer, the Bank claims overdue bills or bad credit made by the customer by paying 70% of the customer's ceiling. The Bank can send a claim submission file when a KUR customer is included in the collectibility category 6 (six) or is stuck, i.e. if there are bills in arrears on primary and/or regard payments for more than 180 days (Marhas & Hadi, 2019). Banks that do not complete the documents which is used as a requirement to make a credit

insurance claim within 6 months from the request letter to complete the document from the guarantor. The Bank does not respond to the refusal of the claim from the guarantor or the quantity of the claim for the People's Business Credit concerned will be paid by the guarantor within 6 (six) months from the date of the letter of rejection of the claim or approval of the claim from the guarantor.

Meanwhile, regarding the amount of the claim utility for People's Business Credit (KUR) that must be paid by the guarantor to the bank is $70\% \times$ remaining principal + overdue bills (including interest recalculate if any) and fines up to the rebit of credit insurance claim rights based on payoff) with a maximum of $70\% \times$ the People's Business Credit (KUR) ceiling. However, the bank to submit a credit insurance claim to the guarantor can be canceled if the People's Business Credit (KUR) distributed is not based on the terms and conditions of the People's Business Credit (KUR), and the submission of a credit insurance claim has passed the time limit (Sucita, 2018).

Credit insurance claims that have paid by the guarantor against the bank do not reduce the People's Business Credit (KUR) customers from the duty to pay off the People's Business Credit (KUR) and the bank continues to accumulate the People's Business Credit (KUR) customers. In the event that the guarantor has paid the credit insurance claim to the bank, the guarantor has the right of subrogation which can be settled through recovery. The bank helps settle up to an amount equal to the amount of the claim payment from the guarantor to the bank.

Based on article 1400 of the Civil Code (KUHPerduta), associated occurs because of an agreement and because of the law. In accordance with credit insurance claims, namely because of the agreement, Article 1401 of the Civil Code is divided into 2 parts, namely: (1) Subrogation initiated by creditors or lenders or banks. This occurs if the old creditor who received the third party payment determines that the new creditor will replace the rights, claims, liens and mortgages held against the debtor; (2) Subrogation initiated by the debtor or borrower or customer. This occurs when the debtor borrows money from a third party (new debtor) to pay off the old creditor's bill. In this case, the debtor provides that the new creditor replaces the rights due to the old creditor. Such subrogation is considered valid if accompanied by a deed of authentic deed for an agreement containing provisions relating to a loan agreement between the debtor and the new creditor.

If one of the parties is unable to fulfill the obligations it should have, then one of the parties will demand the fulfillment of obligations to the other party. In this case, it can still be done with the first attempt, namely negotiation.

6. Conclusions

From the discussion above, it can be concluded that the guarantor will appear when the People's Business Credit (KUR) agreement has expired and secured / the People's Business Credit (KUR) debtor is unable to pay off the obligation to repay the People's Business Credit (KUR) or Credit People's Enterprises (KUR) that are related after being determined include 6 (six) collectibility or traffic jams. Then the creditor can submit a credit insurance claim to the guarantor to get a payment with a maximum value of 70% and after the guarantor makes a claim payment to the guarantee recipient, the guarantor has the right of subrogation whose settlement is in the form of recovery.

The suggestions that the author can give in this article are so that in the future more complex research can be carried out on real case studies of a debtor or conduct a survey on insurance claim submissions carried out with the percentage of success results.

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