Volume 5 Issue 3 (2026) July
E-ISSN 2963-0444|
https://doi.org/10.58344/jhi.v4i3.1602
https://jhi.rivierapublishing.id/index.php/rp

JURNAL HUKUM INDONESIA

Disharmony in the Appointment of Beneficiaries in Life Insurance Policies with the Legal Provisions of Inheritance in Indonesia

Desta Dwi Alfian*, Rois Harliyanto
Universitas Swadaya Gunung Jati Cirebon, Indonesia
Email: Destaalfian53@gmail.com*, Rois.harliyanto@ugj.ac.id

Keywords:
Beneficiary; Life Insurance; Inheritance Law; Legal Disharmony; Legal Certainty.

Abstract

The appointment of beneficiaries in life insurance policies often creates legal conflicts with inheritance law provisions in Indonesia, particularly when the designated beneficiary is not a legal heir. This disharmony arises from the tension between the principle of freedom of contract in insurance law, which grants policyholders the authority to designate beneficiaries, and the protection of heirs' mandatory inheritance rights (legitime portie) under inheritance law. This research aimed to examine the inconsistencies between Indonesian inheritance law and the designation of beneficiaries in life insurance policies. Conflicts may occur when the beneficiaries specified in insurance policies do not correspond with the legally recognized heirs. This study employed a normative juridical method using statutory, conceptual, and case approaches, supported by interviews with insurance practitioners and legal academics. The findings revealed a conflict between inheritance law provisions and the contractual freedom applied in the insurance sector, particularly regarding the protection of heirs' mandatory rights (legitime portie). Legal uncertainty also results from the absence of clear and harmonized regulations within the Indonesian legal system concerning the position and rights of heirs in relation to life insurance benefits. Based on these findings, regulatory harmonization is required to establish legal certainty and provide protection for all relevant parties, including insurance companies, policyholders, and heirs. Such harmonization is essential to maximize the function of life insurance as a financial planning and protection instrument while minimizing potential inheritance disputes.

INTRODUCTION

Legal disputes concerning the designation of beneficiaries in life insurance policies and claims by heirs regarding inheritance rights frequently occur in life insurance practices in Indonesia (Arantik & Sativa, 2025; La Ode & Abdullah, 2025; Muazzul et al., 2025; Nasrul et al., 2021). In addition to providing financial protection against unexpected risks, such as illness, accidents, and death, life insurance benefits offer financial security, support future financial planning, including retirement and education preparation, and ensure access to healthcare services. Furthermore, life insurance may function as a family financial protection instrument that contributes to financial stability in unfavorable circumstances (Hamonangan et al., 2021).

Significant developments have occurred in the life insurance industry, including advancements in technology, services, knowledge, and management practices. However, these developments have not always been accompanied by improvements in public understanding and insurance planning. In practice, disputes may arise during the distribution of insurance benefits to beneficiaries. Funds that are expected to be received promptly may experience delays due to administrative procedures, policy verification, or claim-related issues, and in certain cases, claims may be rejected. Such situations often cause dissatisfaction among beneficiaries who depend on insurance benefits. When beneficiaries or heirs consider that insurance companies have failed to fulfill their obligations, disputes may escalate into legal proceedings.

Insurance companies may have legitimate reasons for delaying or rejecting claims, particularly when policyholders provide incomplete or inaccurate information during the insurance application process. Similar disputes frequently occur in the insurance industry and are often resolved through non-litigation mechanisms before proceeding to formal legal action. Insurance companies generally seek to prevent disputes from becoming public because negative publicity may affect corporate reputation and reduce public trust in insurance services (Wasita, 2020).

Article 246 of the Indonesian Commercial Code (Kitab Undang-Undang Hukum Dagang/KUHD) regulates insurance agreements, while Article 1320 of the Indonesian Civil Code (Kitab Undang-Undang Hukum Perdata/KUHPerdata) establishes the requirements for the validity of agreements. Based on the principle of freedom of contract under Article 1338 of the Civil Code, policyholders have the authority to designate beneficiaries according to the terms agreed upon in the insurance policy. However, inheritance law also recognizes the protection of heirs' mandatory inheritance rights (legitime portie). Therefore, although policyholders may designate beneficiaries, such designation may potentially conflict with the inheritance rights of legal heirs under Indonesian inheritance law (Bintoro, 2025).

An agreement between an insurance company and the insured, as contained in an insurance policy, creates a legal relationship between the parties involved in the insurance arrangement. In life insurance, the object of insurance is a person's life, and the insured or a designated third party may have an interest in the insurance benefit. Beneficiaries listed in the policy represent third parties who are entitled to receive insurance benefits upon the occurrence of the insured event, particularly the death of the insured. The existence of insurable interest in life insurance provides the basis for granting financial protection against potential economic losses resulting from the death of the insured and its impact on the insured's family.

One mechanism for managing financial risks is through the inclusion of insurance clauses in contractual agreements. For example, life insurance clauses are commonly included in credit agreements to provide protection when a debtor dies before completing repayment obligations. In such cases, insurance benefits are used to settle outstanding obligations to creditors, while the insurance company's liability remains limited according to the terms of the insurance agreement. Therefore, insurance arrangements must maintain a balance between the risks assumed by insurers and the premiums paid by policyholders (Utami, 2023).

The research gap identified from previous studies conducted by Alusianto Hamonangan, Ria Sintha Devi, and Melky Saro Bulyan Zebua regarding legal protection for heirs of life insurance proceeds (Study of PN Lubuk Pakam Decision No. 10/Pdt.G/2015/PN Lbp) indicates that life insurance proceeds may become part of inheritance when the insured has passed away and the designated beneficiaries are not recognized as legal heirs under inheritance law (Hamonangan et al., 2021). This study primarily focused on the position of heirs regarding life insurance benefits and legal protection through court decisions. However, it did not examine in depth how the principle of freedom of contract operates in the designation of beneficiaries within insurance practices.

Furthermore, research conducted by Julio Leonardo Leba and Habib Adjie regarding the position of life insurance policies in inheritance law concluded that life insurance proceeds are generally not considered inheritance assets because the entitlement arises from the insurance contract rather than from the deceased's estate. The funds originate from the insurance company, and the person designated as the beneficiary in the policy is entitled to receive the insurance benefit based on the contractual agreement rather than inheritance provisions (Leba & Adjie, 2024). However, this study was limited because it did not comprehensively analyze the disharmony between beneficiary designation in life insurance policies and inheritance law provisions in Indonesia. This research addresses this gap by examining the conflict between insurance beneficiary designation and inheritance law through a normative and empirical approach involving regulatory analysis, court decisions, and insurance industry practices.

The concept of insurable interest generally does not arise solely from family relationships but may also originate from legal or economic relationships between individuals and organizations, such as relationships between consumers and creditors. In inheritance law, the distribution of inherited assets must comply with applicable legal provisions to maintain fairness, certainty, and social harmony. An heir is a person who receives inherited assets due to a legal relationship with the deceased, while inheritance rights arise based on legally recognized succession mechanisms (Simanjuntak, 2024).

Based on this description, it can be concluded that differences remain in the interpretation and application of legal norms concerning the designation of beneficiaries in life insurance policies and inheritance law provisions in Indonesia. The tension between the principle of freedom of contract in insurance agreements and the protection of heirs' inheritance rights creates legal uncertainty and may trigger disputes between insurance companies, policyholders, beneficiaries, and legal heirs. Such disharmony may also affect public confidence in life insurance products.

Therefore, this study is important to examine the limitations of applying the principle of freedom of contract in beneficiary designation and its implications for inheritance law in Indonesia. According to Sugiyono (2013), referring to Sumadi Suryabrata's perspective, research requires a strong theoretical foundation to ensure systematic analysis rather than relying on trial-and-error processes. A theory consists of concepts, definitions, and propositions used to systematically explain and analyze phenomena by identifying relationships among variables.

According to Ahmadi Miru, the principle of freedom of contract guarantees that individuals are free in a number of areas related to agreements. Among them are:

1. Feel free to decide whether to fulfill the commitment or not.
2. Be free to choose who to make a deal with.
3. Feel free to choose the terms or conditions of the contract.
4. Ability to choose the type of agreement.
5. Additional freedoms that do not conflict with legal requirements (Nanda, 2020)

Badrulzaman defines an agreement as a relationship of ownership between two or more individuals in which one party is entitled to a performance and the other party is obliged to perform it. According to this theory, the relationship of the law, assets, parties, and performance forms an agreement. One of the key components of this theory, according to Badrulzaman, is the emphasis on how the law imposes obligations and rights on other parties in social relations. The relationship can be enforced by law if one of the parties violates it.

Contracts and agreements are interrelated because contracts stipulate agreements. In other words, the contract is the source of the agreement. In addition, when both parties agree to do something, an agreement is also known as an agreement. Because it refers to a written agreement, the term "contract" is more specific (Subekti, 1995)(Dr. Serlika Aprita & Mona Wulandari, 2023).

These two experts agree that the law itself, which is governed and agreed upon by both parties, is the source of the legal relationship. As a result, agreements that include legal relationships between individuals are found in a legal environment. The legal relationship of an agreement is one that is established through legal action, not a relationship that develops naturally.

Inheritance law is defined as a law that regulates the transfer of ownership rights over inheritances, determining who is entitled to be the heir and the corresponding share, according to Article 171 letter a of the compilation of Islamic law.

Therefore, Islamic law is bilateral and individual because this law divides inheritance not only to the husband or wife but also to both parties, both hereditary and laterally. According to Soepono, inheritance law in the context of customary law is a set of rules that govern how inheritance is inherited from one generation to the next.

According to H. Abdullah Shah, the phrase "destiny" (qadar/provision) in Islamic inheritance law (faraidh law) refers to the elements that have been determined or destined for the heirs in sharia. Therefore, the part of the heirs whose amount has been determined by sharia is the only subject of fariath. According to Soepomo, customary law defines inheritance law as a rule that regulates the transfer of intangible assets from one generation to the next.

Inheritance can be understood as a law that regulates the status of the assets of the deceased and the ways of transferring assets to others, or what we call heirs, based on the three opinions above between Article 171 letter a, H. Abdullah Syah, and Soepomo. Although the Criminal Code does not legally define inheritance, the Criminal Code regulates the procedure for regulating inheritance law, which is based on Presidential Instruction No. 1 of 1991. The legislation that regulates the transfer of ownership rights to the inheritance of the heirs and determines who is entitled to inherit and how much of each person's share is known as inheritance law (Teguh, 2023).

One of the goals of the law is legal clarity. Gustav Radbruch had proposed the theory of legal certainty. Legal certainty, according to Radbruch's idea, is certainty regarding the law itself. The definition of legal certainty includes four points, namely:

1. Because the law is positive, the law is a law.
2. Because the law is based on facts, the law does not formulate an evaluation that will be carried out by the court.
3. To prevent misunderstandings and facilitate implementation, the facts must be clearly stated.
4. Routine amendments to positive laws prohibited.

Gustav Radbruch defined law in three ways:

1. The narrow definition of justice is that everyone has the same right before the courts.
2. The element of the goal of justice or finality, which determines the substance of the law because it is in harmony with the desired goal.
3. An element of legality or legal certainty, which guarantees that the law can function as a rule to be followed.

The only way to address legal certainty is normatively, not sociologically. When a regulation is developed and implemented with confidence because of its explicit and rational rules, normative legal certainty is achieved. It is clear in the sense of building a system of norms with other norms, so as to avoid conflicts or conflicting norms, and clear in the sense that it does not raise doubts and is logical. Justice and legal certainty are important elements of law, according to Gustav Radbruch. He argued that for the sake of security and order in a country, justice and legal certainty must be considered. Positive laws will always be followed in the end. Justice and happiness are values that must be achieved, in accordance with the idea of legal certainty (Naldo et al., 2021). Since the state has guaranteed legal certainty through legislation, policyholders and businesses will comply with regulations related to investment-based insurance, thus guaranteeing consumer protection.

Based on Article 55 paragraph 1 of Law No. 21 of 2011, the Financial Services Authority (OJK) now has the authority to regulate and supervise financial services activities in the capital market, insurance, pension funds, financing institutions, and other financial service institutions, replacing the Minister of Finance, the Capital Market Supervisory Agency, and financial institutions. However, Law No. 8 of 1999 which discusses consumer protection regulates the efforts of policyholders to obtain legal certainty as customers in the insurance industry. In accordance with Article 1 paragraph 3, "consumer protection" refers to any individual who uses goods and services available in society for the benefit of himself, his family, and others, as well as for the benefit of other living beings, and not for commercial purposes. According to the definition of consumer, insurance companies that act as insurers are considered business actors in the service sector, especially the corporate industry, and policyholders or insured in insurance agreements are considered consumers as service users of insurance companies. According to Philipus M. Hadjon, the development of legal protection is very important to guarantee the rights of the insured. This is because legal protection is essential for government actions that are based on freedom of action, and the existence of preventive legal protection encourages governments to exercise caution when making discretionary decisions (Fauzi, 2023).

Research that has been conducted by julio leonardo leba and habib adjie regarding the Position of Life Insurance Policies in Inheritance Law: An Analysis of Life Insurance Policy Sum Insured in Inheritance Law confirms that Life Insurance Sum Assured Is Not Inheritance Property The information in question is because the insurance money does not exist when the insured is still alive, the money only appears after the event of death, The source of money comes from the insurance company, not from the heir's property and the Insurance Money Paid Based on the Policy, Not the Law of Inheritance can be interpreted as who is listed as a beneficiary in the policy, he is the one who is entitled to receive insurance money (Leba & Adjie, 2024). The results of previous research conducted by Alusianto Hamonangan, Ria Sintha Devi and Melky Saro Bulyan Zebua have stated that life insurance coverage is basically part of inheritance, if the insured (policyholder) has died and the beneficiaries listed in the policy are not legal heirs according to inheritance law (Hamonangan et al., 2021).

Based on the study of previous research, there are several gaps that are the basis for the urgency of this research. Existing studies focus more on the position of life insurance insured money as inheritance or not, while studies on the normative disharmony between the appointment of beneficiaries in life insurance policies and inheritance law provisions in Indonesia are still limited. In addition, most studies use a purely normative approach without involving a comprehensive analysis of insurance company practices and court decisions, and research on the implementation of the principle of freedom of contract in the appointment of beneficiaries who are not heirs and its implications for legal certainty is still rare. Thus, there is a significant research gap to examine the disharmony in the appointment of beneficiaries in life insurance policies with the provisions of inheritance law in Indonesia and analyze its juridical implications, especially through the study of the Supreme Court Decision Number 4468 K/Pdt/2025.

The novelty of this research lies in several aspects that distinguish it from previous studies. This study offers an analysis of the disharmony of the appointment of beneficiaries in life insurance policies with the provisions of inheritance law in Indonesia that have never been comprehensively studied in the legal literature before. This research also integrates normative analysis with an empirical approach through interviews with insurance practitioners and legal academics, as well as specifically examining the Supreme Court Decision Number 4468 K/Pdt/2025 as the latest ruling that illustrates the dominance of treaty law over inheritance law in judicial practice. In addition, this study formulates the concept of harmonization between treaty law and inheritance law to create legal certainty and balanced protection for all interested parties. Thus, this research is expected to contribute to the development of civil law in Indonesia, especially in understanding the relationship between freedom of contract in life insurance and the protection of heirs' rights.

This research aims to analyze the suitability of the appointment of beneficiaries in life insurance policies with the provisions of inheritance law in Indonesia, examine the application of the principle of freedom of contract in the appointment of beneficiaries associated with the practice of insurance companies, and analyze the position of life insurance sum insured from the perspective of treaty law and inheritance law. This research is expected to contribute to the development of civil law, become a consideration for policymakers in formulating harmonious regulations, and provide an understanding for the public about the legal implications of the appointment of beneficiaries in life insurance policies to avoid potential disputes.

METHOD

This research employed a normative juridical method, which examined legal norms and applicable regulations within the Indonesian legal system. This method was selected because the study focused on analyzing inconsistencies between inheritance law provisions and beneficiary designation in life insurance policies, requiring legal interpretation of written regulations and their application in practice (Other, 2022).

Several legal approaches were applied to address the research problems, including the statutory approach, conceptual approach, and case approach. The statutory approach was used to examine the Civil Code, Law Number 40 of 2014 concerning Insurance, and other relevant regulations governing life insurance and inheritance law. The conceptual approach analyzed legal concepts related to beneficiaries, heirs, pacta sunt servanda, and freedom of contract from the perspectives of contract law and inheritance law. Meanwhile, the case approach examined court decisions related to life insurance claim disputes, particularly cases involving conflicts between designated beneficiaries and the recognition of heirs.

The legal materials used in this study consisted of primary, secondary, and tertiary legal materials. Primary legal materials included the Civil Code, Law Number 40 of 2014 concerning Insurance, other relevant laws and regulations concerning insurance and inheritance law in Indonesia, and legally binding court decisions related to life insurance claims and inheritance disputes.

Secondary legal materials consisted of legal textbooks, scientific articles, research findings, and legal publications discussing insurance law, contract law, and inheritance law. These materials provided theoretical perspectives and supported the analysis of relevant legal norms. Tertiary legal materials included legal dictionaries, legal encyclopedias, and other supporting references used to clarify legal terminology and concepts. In addition, empirical data were obtained through interviews with legal experts and insurance practitioners to complement the normative analysis regarding beneficiary designation in life insurance policies and its relationship with inheritance law provisions in Indonesia.

RESULTS AND DISCUSSION

Conformity of the appointment of beneficiaries in a life insurance policy with the provisions of the Inheritance Law in Indonesia

When an insured person dies or becomes permanently disabled, the insurance company reimburses for the loss of income and ensures the family's financial stability. Life insurance is a type of financial protection agreement in which the insurance company pays insurance money to the beneficiary who is designated as a beneficiary as agreed in the policy (Manulife, n.d.). When determining the heirs in an insurance policy, various problems often arise. This issue can lead to conflicts between inheritance law and insurance contract law when the insured is not a legal heir under Indonesian inheritance law.

Article 246 of the Trade Law (KUHD) regulates insurance agreements normatively. The article states that insurance or coverage is an agreement in which the insurer binds himself to the insured by receiving a premium to compensate for any loss, damage, or loss of expected profit that he may suffer due to an uncertain event.

The existence of an agreement between the two parties, the ability to make an agreement, the existence of a specific object, and a legitimate cause are the four conditions that must be met for an agreement to be considered valid. These conditions are outlined in Article 1320 of the Civil Code. Meanwhile, all agreements are in accordance with the applicable law for those who make them, according to Article 1338 of the Civil Code. The Agreement may only be cancelled with the consent of both parties or for legally specified reasons. The terms of the agreement must be followed honestly. In addition, as stated in Article 1340 of the Civil Code, an agreement cannot harm third parties or benefit them outside of the circumstances listed in Article 1317.

These laws lead to the conclusion that, while the heirs have legal rights under inheritance law that must be upheld by the insurance company, the designation of the beneficiaries is valid under contract law. Meanwhile, Article 171 (a) of the Compilation of Islamic Law explains the right to determine who the rightful heirs are and how much each heir will inherit. This article discusses whether insurance premiums fall within the scope of inheritance law.

Based on the results of interviews that have been conducted with insurance practitioners, it is known that, in accordance with treaty law, the beneficiary does not always have to be a legal heir because the policy appointed is an agreement that binds the insurer and the insured who makes the agreement. If the legal heirs appointed in the policy die, the heirs can appoint friends or siblings and even the institution itself. However, in practice, the company still requires heirs' documents as a form of legal risk mitigation.

The author's view shows that it tends to prioritize contractual certainty, but still considers the potential for disputes based on inheritance law, because this often causes disputes between the beneficiaries appointed in the policy and the heirs who feel that they have the right to the insured inheritance. This shows that there is an intersection between the contractual law regime and inheritance law that is not fully harmonious.

The study shows that although every legal system prioritizes the rights of biological heirs, the identification of beneficiaries in life insurance often conflicts with Indonesian inheritance laws. Neglecting heirs is considered a violation of their subjective rights under civil law. According to Islamic law, the beneficiaries are basically administrative administrators who must allocate funds in accordance with inheritance law. Distribution based on customary law is greatly influenced by regional customs. In short, the name listed in the policy does not necessarily eliminate the rights of the heirs in accordance with applicable laws and requirements (YOVITASARI, 2024).

This suggests that, in theory, the designation of beneficiaries in an insurance policy does not necessarily eliminate the rights of legal heirs, which is why the status of beneficiaries is often disputed in the Indonesian inheritance legal system. Referring to court rulings in practice shows that there is a conflict between the beneficiaries and the heirs, even though the interviewed company has never had any problems. This also applies to the insurance company interviewed because the parties to the agreement have established and determined in the policy who is entitled to receive the legal beneficiaries from the outset.

Application of the Principle of Freedom of Contract in the Determination of Beneficiaries in Relation to Insurance Company Practices

The concept of freedom of contract refers to an agreement between two parties that aims to make a contract, under any circumstances, provided that the agreement is established legally, honestly, and without violating moral rights or public order (Harianto, 2016). Article 1338 of the Civil Code, which underlines that all valid agreements apply to those who make them and must be faithfully executed, governs this idea. The idea of freedom of contract in insurance allows policyholders to choose who will receive benefits (beneficiaries) and to change the terms of the agreement to suit their preferences.

Normatively, the application of the principle of freedom of contract (also known as freedom of contact) must meet the legal requirements outlined in Article 1320 of the Civil Code, such as:

1. An agreement
2. Discuss age
3. The presence of certain objects
4. Existence of a valid reason

When the principle of freedom of contract is applied to insurance contracts involving non-heirs, it often results in new dynamics. An agreement between the insured and the insurer allows a third party to be selected as a beneficiary. Since the agreement is made in accordance with the applicable law of the parties involved, it can be enforced (Pratama et al., 2025).

Based on the results of interviews with insurance practitioners, it is known that the company gives the policyholder the freedom to determine the agreement in accordance with the principle of freedom of contract applied in the appointment of beneficiaries and in accordance with the policyholder appoints who will be the beneficiary of the insurance if the insured party has an accident or permanent disability. However, juridically, this freedom is not absolute because it must pay attention to the rights of heirs which are regulated in inheritance law in Indonesia, thus insurance companies still place the main policy as contractual law while inheritance law is used in the event of a dispute.

The author's opinion from the results of the interview shows that insurance companies are more reflective of maintaining a balance between legal certainty and justice. On the one hand, insurance companies respect the content of the policy as an agreement that has been legally made by the parties. However, on the one hand, insurance must pay attention to the possibility of lawsuits made by heirs who have strong legal force. Therefore, harmonization between the provisions of the insurance policy and the principle of inheritance law is important so that the implementation of insurance beneficiary payments not only provides legal certainty to the appointed beneficiaries, but also still pays attention to the protection of inheritance rights based on the provisions of inheritance law that apply in Indonesia.

However, the principle of an insurable interest must be followed when designating someone who is not an heir as a beneficiary. According to this theory, if the beneficiaries will directly bear the losses if the insured dies, they can insure other goods or individuals. In addition, the main principle of an insurance contract is the concept of good faith. When making an agreement, the parties must be honest and transparent in the disclosure of information. If this concept is not followed, the agreement will be voided and the claim may be rejected

(Pratama et al., 2025). The policy must specifically mention the designation of a third party receiving benefits. This is to guarantee that the rights of third parties are recognized by law and that there are no disputes when the insurance company provides benefits.

Based on the results of interviews with insurance practitioners, it is known that if there is a dispute in the appointment of a third party or beneficiary, the company will follow the procedure that has become a valid decision from the court and court decisions have an effect in determining the beneficiaries and in court decisions in Indonesia have provided legal certainty regarding insurance claims in the event of a dispute.

In the author's opinion, it shows that the mechanism is very fixed because it provides legal protection for insurance companies and parties to disputes because it can avoid mistakes when providing claim payments. The court decision is a valid decision in providing legal certainty regarding the parties who are entitled to receive insurance benefits. Especially the difference in interpretation regarding the appointment of beneficiaries in policies or claims according to the heirs who feel entitled to these benefits.

The dispute between the life insurance claim between the insured's heirs and the insurance company is based on the supreme court's decision No. 4468 K/Pdt/2025.

The dispute over life insurance claims between the insured's heirs and the insurance company is the subject of the case in Supreme Court Decision No. 4468 K/Pdt/2025, a civil case. This dispute began when Husain's heirs sued PT Sun Life Financial Indonesia for failing to pay insurance benefits based on the Sun Life Protection Life Insurance Policy No. 027707735, issued on December 13, 2022, and had an insured value of IDR 1,988,650,000.

This decision confirms that the person who is entitled to benefits under a life insurance policy is the beneficiary named in the policy. In this case, Hanawiah, the insured's wife, is expressly mentioned as a beneficiary in the insurance policy; therefore, only Hanawiah is legally allowed to file a claim or file a lawsuit against the insurance provider.

The Supreme Court ruled that even though the petitioners were the heirs of the deceased Husain, this did not automatically entitle them to demand payment of insurance claims if the policy named a legitimate beneficiary. As a result, one of the main determinants of who is entitled to insurance benefits is the existence of the beneficiaries in the policy.

This is in line with the idea of insurance law that an insurance contract is an agreement between the insured and the insurer that offers benefits to a third party called a beneficiary. The party who directly acquires rights under the agreement is the beneficiary in this situation, so it has a stronger position than the beneficiary.

This decision shows that the Supreme Court gives the beneficiary the primary right to receive insurance payments, which means that the beneficiary cannot take the beneficiary position as long as the beneficiary is alive and there is no reason to revoke their rights. The legal status of the plaintiff was a major factor in the Supreme Court's decision in this decision. The Supreme Court ruled that the plaintiffs' lawsuits were deemed inadmissible because they did not meet the formal criteria due to their lack of legal standing.

The main prerequisite for civil proceedings is legal standing, which requires that the party filing the lawsuit has a direct legal interest in the disputed goods. The Supreme Court ruled in this case that it is the beneficiaries, not the heirs, who have a direct legal interest. As a result, even if the heirs have a relationship with the insured, they have no direct claim to the insurance money because the beneficiary has been granted those rights under the insurance policy.

This factor illustrates the Supreme Court's focus on the principle of legal certainty in insurance contracts, which states that only the parties named in the policy are entitled to the amount insured. The application of the principle of freedom of contract in life insurance contracts is also reflected in this ruling. Because the insurance policy is a mutual agreement, the provisions must be enforced and implemented.

In this case, the insured voluntarily appointed Hanawiah as the beneficiary, so the insurance company was obliged to provide benefits to her in accordance with the terms of the contract. The Supreme Court emphasized that since the agreement is binding on all parties, the beneficiary cannot unilaterally change or interpret the terms of the policy. The application of the concept of freedom of contract shows that contract law in life insurance has a considerable influence on the rights and obligations of the parties, even overriding the interests of the beneficiaries under inheritance law.

This decision clearly illustrates the conflict between Indonesian inheritance law and the heirs clause in life insurance. The heirs are entitled to the deceased's inheritance under inheritance law. However, in life insurance, the sum insured is considered the right of the heir under the contract, not as an inheritance. As a result, if the heirs are still alive, the heirs are not entitled to the sum insured. This shows how inheritance law and insurance law differ from each other.

The fact that the plaintiffs, despite being members of the insured family, are not entitled to the insurance proceeds as heirs shows the existence of this disagreement. Inheritance law was not used in this case because the Supreme Court prioritized the beneficiary as the person entitled to the benefit. This decision supports the idea that life insurance outcomes are the beneficiaries' rights arising from contracts, not inheritances.

This Supreme Court decision has significant implications for life insurance policies in Indonesia. First, in the case of payment of claims to the heirs, the insurance company has legal certainty. Second, if the heirs are still alive, the heirs cannot file an insurance claim lawsuit. Third, the main basis for identifying heirs is the insurance policy. Fourth, future life insurance disputes can be resolved by using this ruling as a legal basis. As a result, this ruling clarifies the role of heirs in life insurance law and provides legal certainty to insurance companies.

Legally, the Supreme Court's decision is appropriate because it uses the provisions and legal status of the policy as the main criteria to determine who is entitled to receive insurance benefits. However, this ruling also has its flaws because it does not adequately address the relationship between inheritance law and heirs. The Supreme Court did not investigate whether insurance money could be included in an inheritance under certain conditions instead, the Supreme Court only looked at the procedural aspects of the case. In addition, the potential legal protection for the heirs in the event of a family dispute or the heirs neglect to file a claim is not discussed in this judgment.

Therefore, to prevent future legal disputes, more appropriate regulations are needed regarding the relationship between beneficiaries and heirs in life insurance. Supreme Court decisions in favor of beneficiaries provide legal certainty to contractual partnerships, but they can also jeopardize beneficiary protections. This illustrates how, in judicial practice, contract law tends to be more dominant than inheritance law.

The ruling shows the dominance of contract law in resolving life insurance disputes. Although it provides legal certainty for insurance companies, the decision also shows that there is not enough harmonization between treaty law and inheritance law in Indonesia.

According to the author, the Supreme Court's decision provides legal certainty for insurance companies because it prioritizes the beneficiaries that have been stipulated in the policy, however, the decision still does not fully answer the issue of the protection of inheritance law who has rights under inheritance law.

The position of life insurance benefits in the perspective of treaty law and inheritance law

Heirs' rights apply to insurance, and laws and regulations regulate the selection of life insurance heirs. The heirs must be blood relatives, such as children, siblings, or others, in accordance with Article 38 of the Civil Code. Heirs are divided into two categories based on the Civil Code:

1. Heirs based on their position.
2. Heirs through a transfer of residence.

Clauses that specify the beneficiary to receive insurance claims from insurance companies, whether from legally designated groups or from outside that group, must be included in the insurance agreement. We can determine in the agreement who is entitled to inherit the property, including the highest-ranking individual. In the event of an insured incident, this is mandatory. In addition, the insured can name the beneficiary in the life insurance agreement based on the terms of the insurance agreement (Gerald Wuhanbino, Aartje Tehupeiory, 2024).

In accordance with Article 1 of Law Number 40 of 2014 concerning Insurance, both parties must reach an agreement that makes the insured and the policyholder the basis for receiving premiums by the insurance company as compensation. This includes payments based on the insured's death or payments based on the insured's life with a predetermined amount of benefits and based on the results of fund management, as well as compensation if the insured party incurs losses, losses, lost profits, or legal obligations to third parties as a result of unforeseen events. However, Article 1 of Law Number 14 of 2014 regulates life insurance in addition to losses. The phrase "payment based on the death of the insured" indicates that the purpose of insurance is not only the property but also the human body and soul (YOVITASARI, 2024).

Based on the results of interviews with insurance practitioners, it is known that the position of the sum assured is given to the rights of the beneficiaries listed in the policy, but if the beneficiary listed in the policy dies, it can be transferred to his child but the child must be 17 years old, if the child is still a minor, he can see the other family and have a blood relationship. Juridically, a 17-year-old child is considered an adult and legally competent, but according to the Civil Code, article 330 of the Civil Code, a child is considered an adult and legally competent must be 21 years old.

The author's opinion shows that the practice of insurance in transferring the position of the beneficiary's sum assured to his 17-year-old child shows the practical considerations given by the insurance company in the claim payment process. In insurance practice, children who are 17 years old are considered adults to receive the right to insurance benefits. However, juridically, legal competence cannot be an internal policy of the insurance company, but must pay attention in accordance with the applicable laws and regulations.

Legally, heirs are divided into four categories, as stated in Article 832 of the Civil Code:

- Children and their offspring, as well as the longest-lived spouses, belong to Group I.
- Siblings and parents are included in Group II.
- Blood relations in the direct lineage from father to mother, grandparents, and so on belong to Group III.
- Group IV: Sibling descendants in the direct lineage, including cousins, uncles, and aunts.

In many cases involving inheritance disputes, courts continue to base their legal decisions on the fundamental idea of a hierarchy of heirs.

The appointment of beneficiaries in an insurance policy is one of the topics that often comes up in legal discussions. Every valid agreement is legally binding on the parties who sign it, and must be executed in good faith, in accordance with Article 1338 of the Criminal Code. Everyone is allowed to vote on the terms of the agreement without the interference of other parties, as stated in Article 1338. However, in this case, the policyholder is free to choose the beneficiary (Amanda Bintoro, 2025).

Therefore, from a contractual legal point of view, the position of life insurance benefits is a contractual right that is directly attached to the party named in the policy, without the need to go through an inheritance mechanism.

The concept of legitime portie in Article 913 of the Civil Code, which explains that the inheritance share is the share and price of an object that must be given to the heirs directly in accordance with the law that for the deceased person may not stipulate any provisions, either as a grant between living persons or as a will to enforce protection for heirs based on Indonesian civil inheritance law. The primary purpose is to use a gift or will to protect the nuclear family from injustice or exclusion by the heirs. However, because insurance benefits have considerable value and are a major component of wealth for the person left behind, disputes often occur between the beneficiaries of the insurance policy and third parties who are not the legal heirs. The rights of the abandoned family will be reduced and ignored if the insurance funds are given to a third party or not the actual heirs.

This issue gives rise to two interpretations of the law: first, if the insurance benefit is considered an inherited asset, the inheritance law will determine it. Second, if the insurance benefit is considered a contractual asset, then it is included in the inheritance asset but cannot be claimed by the heirs (Amanda Bintoro, 2025).

To strengthen the normative analysis of writing, conduct interviews with civil law lecturers. Based on the results of the interview, information was obtained that in the appointment of beneficiaries in the life insurance policy, this is included in the inherited property and not as an inheritance because the one who pays the premium is the insured party who makes an agreement with the insurance party, even though the money is generated during the marriage with the insured party, the insured party is obliged to pay the premium. However, juridically, the insurance policy must state who is the beneficiary and that includes not a will, but an insurance policy as an instruction from the insurance company to provide claims to the parties listed in the policy.

According to the author, the results of interviews from expert lecturers that life insurance is not inherited property and inherited property but an exclusive right that is received directly by the beneficiary that has been determined in making an agreement between the insured and the insurer when making an agreement. However, juridically, an insurance policy is not a will, but the policy is a form of agreement between the insured and the insurer. Therefore, the sum insured paid by the insurance company does not necessarily become an inheritance that must be divided according to inheritance law, but a right given to the party addressed to the beneficiaries listed in the policy.

This requirement indicates the existence of a fundamental policy that balances the concepts of family justice and freedom of contract. When appointing beneficiaries who are not legal heirs, this policy can be used to ensure that the beneficiary respects the absolute rights of the beneficiary who does not have personal rights as policyholders in relation to the outcome of the agreement. Therefore, law can serve to uphold justice and humanity in family ties, not as a tool for individual rights (Amanda Bintoro, 2025).

The inconsistency in these norms arises from the difference in perspective between contract law and inheritance law. Contract law emphasizes that the beneficiary has full rights to benefits according to the policy, while inheritance law emphasizes that the heirs have the right to the heir's inheritance, which may include life insurance benefits, according to experts.

Contract law is getting more attention in judicial practice. This is clearly seen from several rulings that state that, if there is no defect in the previous contract, the beneficiary who is entitled to insurance benefits is the person whose name is listed on the policy, not the heir. In order for insurance companies to carry out their commitments with legal certainty, this is very important.

This explanation highlights the fact that in the Indonesian legal system, life insurance benefits are not considered as pure inheritance but rather as rights derived from insurance agreements (contractual rights) granted to beneficiaries. However, as it relates to death and family interests, life insurance payments continue to be linked to inheritance law, and in fact, there may be disputes between heirs and beneficiaries.

To provide certainty and legal protection, there needs to be a reconciliation between contract law and inheritance law. This is because the position of the insurance beneficiary lies between the regime of contract law and inheritance law.

CONCLUSION

Based on the results of the study, the harmonization between the appointment of beneficiaries in life insurance policies and the provisions of inheritance law in Indonesia has not been fully achieved. From the perspective of contract law, policyholders have the freedom to designate anyone as a beneficiary based on the principle of freedom of contract as regulated under Article 1338 of the Civil Code. However, inheritance law provides protection for the rights of legitimate heirs, including their absolute rights (legitime portie). This condition creates disharmony when the beneficiaries designated in the policy are not the legal heirs. In the practice of insurance companies and court decisions, the position of beneficiaries listed in the policy tends to be prioritized because they are considered parties who acquire rights based on the contractual relationship. Therefore, clearer regulations are required to establish legal certainty and prevent disputes between beneficiaries and heirs. The position of life insurance benefits from the perspective of contract law is essentially a contractual right arising from the agreement between the policyholder and the insurance company, whereby the benefits are paid to the party designated in the policy. However, from the perspective of inheritance law, life insurance benefits are often associated with family interests and the rights of heirs, resulting in differing interpretations regarding whether such benefits constitute inheritance assets. This study demonstrates that legal practice in Indonesia tends to classify life insurance benefits as rights arising from contractual agreements rather than as objects of inheritance. Nevertheless, because insurance benefits are closely related to the interests of heirs, harmonization between contract law and inheritance law is necessary to establish balanced legal protection, ensure fairness, and provide certainty for all relevant parties.

REFERENCES

Amanda Bintoro, S. (2025). Beneficiary Non-Ahli Waris Dalam Polis Asuransi Jiwa Dialektika Antara Kebebasan Berkontrak Dan Keadilan Dalam Hukum Waris. *Syntax Idea*, *7*(11), 1366–1376. https://doi.org/10.46799/syntaxidea.v7i11.13866

Amanda Bintoro, S. (2025). Beneficiary non-ahli waris dalam polis asuransi jiwa: Dialektika antara kebebasan berkontrak dan keadilan dalam hukum waris. *Syntax Idea, 7*(11), 1366–1376. https://doi.org/10.46799/syntaxidea.v7i11.13866

Arantik, R., & Sativa, A. (2025). Life insurance company policy on insurance claims from beneficiaries based on policy discoveries outside the claim period (Case study of Manulife Medan Insurance Company). *Legal Brief, 14*(3), 570–579.

Dr. Serlika Aprita, S. H., M. H., & Mona Wulandari, S. H., M. H. (2023). *Hukum perikatan*. Prenada Media.

Fauzi, W. (2023). *Hukum asuransi berbasis investasi di Indonesia: Kajian teori pergeseran paradigma lembaga asuransi*. Rajawali Pers.

Gerald Wuhanbino, A., Tehupeiory, A., & B. N. (2024). Akibat hukum penunjukan penerima

manfaat berdasarkan klausul dalam asuransi perspektif Kitab Undang-Undang Hukum Perdata. *Syntax Idea, 6*(5), 2255–2256.
Hamonangan, A., Devi, R. S., & Zebua, M. S. B. (2021). Perlindungan hukum terhadap ahli waris atas uang pertanggungan asuransi jiwa (Studi kasus Putusan Pengadilan Negeri Lubuk Pakam Nomor 10/Pdt.G/2015/PN Lbp). *Jurnal Darma Agung, 29*(2), 54. https://doi.org/10.46930/ojsuda.v29i2.945
Harianto, D. (2016). Asas kebebasan berkontrak: Problematika penerapannya dalam kontrak baku. *Jurnal Hukum Samudra Keadilan, 11*(2), 145–156.
La Ode, M. T., & Abdullah, A. (2025). The substantive rights of heirs and administrative barriers in Indonesian banking practices. *Journal of Legal Contemplation, 1*(3), 113–130.
Leba, J. L., & Adjie, H. (2024). Kedudukan polis asuransi jiwa dalam hukum waris (Analisis terhadap uang pertanggungan polis asuransi jiwa dalam hukum waris). *Shar-E: Jurnal Kajian Ekonomi Hukum Syariah, 10*(2).
Manulife. (n.d.). *Asuransi jiwa: Tanda cinta pada keluarga.*
Muazzul, M., Lubis, M. A., Zuliah, A., Harahap, M., & Begishev, I. (2025). Insurance policies as joint property in family law: A comparative study of Indonesia and England. *Jurnal Hukum Bisnis Bonum Commune*, 480–499.
Naldo, R. A. C., Tarigan, H. J., & Damanik, H. R. (2021). *Kepastian hukum prioritas pemberdayaan usaha mikro dan kecil pada kegiatan pengadaan barang/jasa pemerintah daerah*. Enam Media.
Nanda, A. (2020). Hukum perikatan. *Hukum Perikatan, 11*(1), 43.
Nasrul, M. A. D., Manaf, Z. I. A., Syafril, S., & Fathurrohman, M. (2021). An overview of the inheritance legal system in Malaysia and Indonesia: Issues faced by both countries. *Journal of Shariah Law Research, 6*(2), 181–200.
Pratama, F. H. D., Jaidan, M. F., Sari, D. P., Putri, H., & Muhammad, A. (2025). Asas kebebasan berkontrak dalam perjanjian asuransi yang bukan ahli warisnya. *Jurnal Sahabat ISNU-SU (JSISNU), 2*, 98–103.
Simanjuntak, G. R. (2024). Pembagian warisan berupa produk asuransi yang tidak termasuk *boedel* warisan, *1*, 99.
Sugiyono. (2013). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.
Teguh, H. P. (2023). *Teori dan praktik pembagian harta kekayaan dalam perkawinan: Metode pembagian harta kekayaan antara yang hak dan batil*. Penerbit Andi.
Utami, R. D. (2023). Analisis yuridis kesulitan ahli waris melakukan klaim asuransi jiwa debitur yang meninggal dunia disebabkan COVID-19. *Sol Justicia, 6*, 11. https://doi.org/10.54816/sj.v6i1.640
Wasita, A. (2020). Perlindungan hukum terhadap pemegang polis. *2*, 105–113.
Yovitasari, A. (2024). *Kedudukan ahli waris yang tidak tercantum sebagai penerima manfaat pada polis asuransi dalam perspektif hukum waris Indonesia* (Vol. 2).