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Losses Insurance Protection for Cattle Death Caused by Mouth and Nail Disease (FMD) During the COVID-19 Pandemi

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Abstract: This research is entitled Insurance Protection for Cattle Livestock Death Due to Foot and Mouth Disease (FMD) during the Covid-19 Pandemic "which aims to identify and analyze the risks that can be transferred in insurance agreements. Livestock business is a business that has a high risk of loss. These include death, accidents, loss/theft, natural disasters, and outbreaks of viral diseases. Efforts that must be made to transfer the risk of loss is to introduce livestock insurance. The discussion in this research focuses on the risks in general insurance, the risks in livestock insurance, and cattle insurance. In writing this research, using a type of normative research in which this research was conducted using a way of researching library materials, and the method used is the statutory approach method (statue approach) because this research refers to legislation. Based on the results of the study it can be concluded that cattle livestock insurance is an effort to transfer the risk of losses that will be suffered by cattle business actors. Risk has two elements, namely uncertainty and uncertainty. Cattle Livestock Business Insurance is an agreement between the Insured Party (Raiders) and the Insurer (Insurance Company) which contains the Insured party paying a predetermined amount of premium money to the Insurer, and the insurer will provide compensation for losses to the Insured if he experiences a risk of loss which has been included in the insurance agreement.

Keywords: Characteristics, Insurance Against Losses, Cattle Livestock

1. Introduction

The majority of Indonesian people still rely on livelihoods as farmers or breeders. The livestock business sector requires management, and also pays attention to risks that can cause losses in the continuity of the business. Livestock business is a business that has a high risk of loss. These include death, accidents, loss/theft, natural disasters, and outbreaks of viral diseases. The impact of this failure is the disruption of livestock farming and reduced production and even causing losses. Therefore, the losses are large enough to cause the next business to have no capital, so one of the efforts that must be made to transfer the risk of loss is to introduce livestock insurance.

Article 246 of the Commercial Code (hereinafter referred to as the Criminal Code). Stating that insurance is an agreement, in which an insurer binds himself to an insured, by receiving a premium, in order to provide compensation to him due to a loss, damage or loss of expected profit, which he may suffer due to an unspecified event. Insurance can be called a long-term investment that is very, very profitable for its users. According to Article 1 of Law Number 40 of 2014 concerning Insurance (hereinafter referred to as UU No. 40/2014), it is stated that loss insurance companies provide assistance in overcoming the risk of loss, loss of benefits, and legal liability to third parties arising from uncertain events. The purpose of Cattle Livestock Insurance is to provide protection in the form of compensation intended for farmers in the event of a cow's death, accident, or loss due to theft so that the farmer can continue his business by buying a mother cow. [1]

The benefits of Cattle Insurance are as a protector for farmer businesses against the risk of future losses if their crops or livestock fail due to natural disasters, disease outbreaks, and other unforeseen things. [2] Current insurance not only guarantees protection for humans, but animals can also be included in the insurance program. The animal insurance program is included in the agricultural insurance insurance program which is regulated in Law Number 19 of 2013 concerning the Protection and Empowerment of Farmers (hereinafter referred to as UU No. 19/2013). Livestock are animals that are deliberately reared from all aspects to be bred for production purposes to produce eggs, milk, meat, and others. Examples are cows, goats and chickens. The insurance model itself includes APBN/APBD Premiums (subsidy premiums), Banking Premiums (every farmer has access to bank financing), Farmers' Self-Help Premiums (included in input costs).

The Ministry of Agriculture of the Republic of Indonesia in 2016 implemented an insurance program specifically intended for the cattle business sector, the program was called Cattle Livestock Business Insurance. Efforts made by the government in terms of protecting cattle breeders from the threat of death or loss of cattle, namely Cattle Livestock Business Insurance (AUTS). If the threat of loss becomes reality and is experienced by the cow due to illness, calving and accident or loss, then the loss will be transferred to the insurance coverage company. The company also provides education to farmers in managing risks and good livestock business and the only company appointed by the Ministry of the Republic of Indonesia to run the Cattle Livestock Business Insurance program (AUTS) is PT. Asuransi Jasa Indonesia (Persero) on the basis of Article 28 UU No.19/2013, it is determined that the government and regional governments in accordance with their authority assign state-owned enterprises or regionally-owned enterprises in the field of insurance to carry out agricultural insurance.

The government's efforts to protect cattle breeders from the risk of death, loss, created AUTS or Cattle Livestock Business Insurance. If loss of cattle is experienced due to accidents, illness, death, loss of livestock, it is regulated in Law No. 19/2013, and Minister of Agriculture Regulation Number 40/Permentan/SR.230/7/2015 concerning Agricultural Insurance Facilities. Livestock as an object of general insurance, of course, have special characteristics that are different when associated with other objects of insurance, so it is necessary to conduct research so that it can be analyzed whether the characteristics of livestock distinguish them from other objects of insurance.

Based on the background above, the authors have an interest in formulating the following problems: 1. What are the risks that can be transferred in the insurance agreement. 2. What are the legal characteristics of loss insurance for the death of cattle livestock.

2. Conceptual Framework

2.1. Overview of Insurance

The term insurance in Indonesia comes from the Dutch word, namely assutantie, and in Dutch law the word Verzekering is used which is then copied in Indonesian with the word "coverage". The definition of insurance according to the Commercial Law Code (hereinafter referred to as the Criminal Code) Article 246, insurance or coverage is an agreement, by which an insurer binds himself to an insured, by receiving a premium to provide reimbursement to him due to a loss, damage or loss expected profit, which may occur due to an unspecified event. Legal experts in Indonesia provide information about insurance, including:

> HMN. Purwosutjipto explained that insurance is a reciprocal agreement between the insurer and the insured claimant who binds himself to compensate for losses or pay a certain amount of money determined at the time of closing the agreement to the insured in the event of an event, while the insurer binds himself to pay the premium. [3]

According to WirjonoProdjodikoro, insurance is an agreement in which the guaranteeing party promises to the guaranteed party, to receive a sum of premium money as a substitute for losses that may be suffered by the guaranteed party, due to the consequences of an unknown events will occur. [4]

According to Molengraaff as quoted by Mashudi, all types of insurance contains: [5] There is a party who binds himself to pay the premium (the insured); There are other parties who commit themselves to pay a certain amount of money (guarantor); The insurer's payment depends on the occurrence of an unspecified event, related to which the insured has an interest.

Some of the causes of risks that can be borne by insurance companies are:

1. Natural disasters such as floods, earthquakes, landslides or volcanic eruptions.
2. Pest attacks such as locusts, plant hoppers and various other plant-destroying insects.
3. Infectious animal diseases that also threaten the lives of farmers, such as bird flu.
4. The climate changes drastically, such as prolonged drought or dry season, on the contrary, with a continuous rainy season.

The main function of insurance is as a mechanism for transferring risk, namely transferring risk from one party to another. This transfer of risk does not mean eliminating risk, but in the form of safeguarding against risk for the insured. In return, the insured pays a very small amount of premium when compared to the potential losses he may suffer.

The purpose of an insurance is to guard against the occurrence of a risk of an event in the event of an unexpected disaster. And to provide compensation to the parties concerned and gain benefits in addition to providing several guarantees to insurance participants. To transfer the risk that was originally on the owner's side to the insurer who is ready to accept the risk.

The purpose of the insured is to gain a sense of peace and security from the risks he faces in his business activities and to encourage his courage to take up a bigger business with bigger risks, so that the big risks are taken by the insurer.

There are two parties in the insurance, namely the insurer and the insured. Where the insured is the party who transfers the risk to the insurer, is obliged to pay a premium as the risk price and has the right to file a claim if the insured object suffers a loss guaranteed by the policy. Meanwhile, the insurer is the party that accepts the transfer of risk from the insured, and is obliged to pay claims if they occur and are guaranteed by the policy. The objects included in this livestock insurance are cows and buffaloes.

The basic principles of insurance that guide insurance activities, namely:

1. Insurable Interest
   The insured is said to have an interest in the insured object, if the insured will suffer financial (financial) losses. If there is a disaster that causes loss or damage to the object. This financial (financial) interest allows the insured to insure the property in his interests.
2. Utmost Good Faith (Perfect Honesty)
   This principle imposes an obligation on the insured to provide clear and thorough information regarding all important facts relating to the insured object. [6]
3. Indemnity (compensation)
   Providing compensation to the insured in accordance with the amount of loss he experienced, just before the loss occurred.
4. Subrogation
   The principle of subrogation is regulated in Article 284 of the Criminal Code which states as follows: "an insurer who has paid for the loss of an insured item replaces the insured in all rights he has obtained against third persons in connection with the issuance of the loss and the insured is responsible for any act that can harm the rights of the insurer against those third persons."
5. Proximate Cause (cause and effect)
   If the insured interest experiences a disaster or accident, the insurer will first look for active and efficient causes that drive an uninterrupted series of events so that in the end the accident or accident occurs.
6. Contribution
   If a policy is signed by several insurers, then each insurer, according to the weight of the amount for which they signed the policy, bears only the actual price of the loss suffered by the insured. The principle of this contribution occurs when there is double insurance.

Agricultural Insurance is a risk transfer that can provide a number of compensation due to losses in farming business so that the sustainability of farming can be guaranteed, and it is very important for farmers to protect their farming business. In 2021, the Ministry of Agriculture through the Directorate General of Agricultural Infrastructure and Facilities will distribute Cattle/Buffalo Livestock Business Insurance (AUTS/K) activities and provide assistance in the form of payment of insurance premiums for cattle/buffalo breeding and/or breeding business. With the existence of Cattle/Buffalo Livestock Business Insurance (AUTS/K), the insured who experiences losses in his livestock farming business¸ can get insurance compensation funds that can be used as capital in continuing his business. Agricultural Insurance is a risk transfer that can provide a number of compensation due to losses in farming business so that the sustainability of farming can be guaranteed, and it is very important for farmers to protect their farming business.

In 2021, the Ministry of Agriculture through the Directorate General of Agricultural Infrastructure and Facilities will distribute Cattle/Buffalo Livestock Business Insurance (AUTS/K) activities and provide assistance in the form of payment of insurance premiums for cattle/buffalo breeding and/or breeding businesses. With the existence of Cattle/Buffalo Livestock Business Insurance (AUTS/K), the insured who suffers a loss in his livestock farming business¸ can get insurance compensation funds that can be used as capital to continue his business. The premium is the obligation that must be paid by the insured to the insurer as the desired risk transfer service. To get the benefits of risk transfer, the insurer is obliged to pay a premium to provide risk replacement for a predetermined period of time. [7]

2.2. Loss Insurance

Loss insurance is insurance that is only allowed to run a form of business in terms of general insurance including reinsurance, which is to deal with risks of property that has lost benefits and legal responsibility, as well as other social insurance programs. [8]

Insurance that provides compensation if the insured suffers a loss, either his goods or possessions, losses can occur in the event of a disaster, loss of expected profits, reduced selling value. The purpose of this insurance is to obtain compensation that may arise at the price of the property owned by the insured. And the insured secures the assets by transferring the risk to the insurer. As regulated in article 247 of the Criminal Code.

The characteristics of this loss insurance apply the principle of indemnity, namely that its interests can be valued in money in determining a compensation. The general insurance category includes all types of insurance whose interests can be valued in money, for example: [9] theft insurance; Demolition insurance; burglary insurance; Fire insurance; Insurance against hazards that threaten agricultural produce.

2.3. Livestock Insurance

Cattle Livestock Business Insurance is an agreement between the farmer as the insured who receives the insurance premium and the insurance company as the insurer. The insurance company will provide compensation to the farmer if the cow dies due to disease, accident and calving, and/or loss according to terms and conditions.

The criteria for prospective cattle business insurance participants according to the Decree of the Minister of Agriculture of the Republic of Indonesia Number: 02/Kpts/SR.220/B/01/2017 concerning Guidelines for Cattle Insurance Premium Assistance state the criteria for prospective cattle business insurance participants, namely: Cattle breeders who conduct nursery and/or breeding business; Female cows are in good health, at least 1 (one) year old and productive period; Small business scale cattle breeders, in accordance with the provisions of the legislation.

After the above criteria are met, there are 3 (three) other requirements that must be met if you want to take part in the AUTS program, including: 1. The cow has a clear identity (micro-chip, eartagor others). The identity of the cow uses an eartag, which is a marker attached to the cow's ear with a series of eartag numbers, the number is used to determine the identity of the cow being insured. 2. Cattle breeders are willing to pay a self-help premium of 20% (twenty percent) of the premium value. Cattle breeders participating in the AUTS program are given a premium subsidy of 80% (eighty percent) of the premium value. Premium subsidies must be in accordance with the criteria and requirements described above. The self-help premium of 20% (twenty percent) that is borne by cattle farmers participating in the AUTS program must be paid in accordance with the provisions of the Cattle Livestock Insurance Policy issued by PT. AsuransiJasa Indonesia (Jasindo), regulated in CHAPTER V (General Conditions) Article 2 concerning Premium Payments. [10] And 3. Cattle breeders are willing to fulfill the terms and conditions of the insurance policy. If an incident occurs (cattle die and/or disappear) of course the farmer can easily submit a claim and obtain compensation due to the incident that occurred.

2.4. Insurance Risk

In general, insurance risk is a condition or event that is uncertain and does not want the event to occur but results in a loss. Insurance views risk as uncertainty or uncertainty. [11] Insurance risk can be caused by personal activity and business activity. Risk Classification in Insurance, namely: a. Pure Risk. Pure insurance risk is a risk that occurs will definitely cause a loss and if it does not occur it will not cause a loss. The pure risk of loss is bound to occur. For example bankrupt, accident, fire, and the like. b. Speculative Risk. Speculative risk is a risk with two possibilities, if it occurs it will cause a loss and may not cause a loss. For example, when investing in stocks on the stock exchange, the investment process will pose a speculative risk, that is, there is a possibility of financial gain and on the other hand there is a risk of loss. c. Special Risks. Special risks, namely those whose causes can only affect the personal environment in quality and quantity. d. Fundamental Risk. Fundamental risks can have very wide-ranging effects. There are certain factors or parties that cause this risk such as government policies, natural disasters, and so on. [12]

3. Research Methods

3.1. Research Typology

This type of research is normative research that uses a statutory approach so that this research examines social phenomena as a result of existing laws.

3.2. Approach Method

The approach method used in the approach uses legislation and regulations. This research is a statute approach. This approach is used because the discussion in this study will refer to the law.

3.3. Legal Materials

The legal materials used in writing this research can be divided into 2, namely primary legal materials and secondary legal materials. Primary legal materials are materials that include laws and regulations related to the problems in this study. While secondary legal materials are materials that clarify primary legal materials such as books, journals, articles, and the like.

Primary legal materials, namely: Commercial Code, Civil Code, Law Number 19 of 2013 concerning the Protection and Empowerment of Farmers, Law Number: 40 of 2014 concerning Insurance, Decree of the Minister of Agriculture of the Republic of Indonesia Number: 02/Kpts/SR.220/B/01/2017 Concerning Guidelines for Premium Assistance for Cattle Livestock Business Insurance, Regulation of the Minister of Agriculture of the Republic of Indonesia Number: 40/Permentan/SR.239/7/2015 Concerning Agricultural Insurance Facilities.

Secondary Legal Materials, namely: Secondary legal materials obtained from literature, scientific texts especially on business law, contract law, legal writings in the form of articles or books, journals and papers, as well as legal research to find out legal issues that actual, considered by the author.

3.4. Methods for Collection of Legal Materials

There are several ways of obtaining data that are used in this writing, including primary legal materials being collected, inventoried, and interpreted, to then be systematically categorized and then analyzed in order to answer existing problems. Material Secondary law is used as a support for primary legal materials. From the collection of these legal materials, processing and analysis are carried out, and the results are presented in an argumentative manner.

3.5. Analysis of Legal Materials

The analysis used by the author is deductive analysis, this analysis is based on accepted norms, legal principles and values, then interpreted systematically into a separate legal system to be linked to the problems in this study.

4. Discussion

4.1. The Risks Contained in Losses Insurance

In everyday life human actions must pose a risk. Risk is an uncertainty about a situation that will occur later from the decisions we make based on consideration of the circumstances at that time. In insurance, risk is the possibility of loss that will be experienced as a result of a hazard that may occur, but it is not known in advance whether it will occur and when it will occur. Therefore it is necessary to have proper prevention efforts to deal with these risks if they occur. The current understanding in various literature aims to clarify understanding of the concept of risk. In insurance, an understanding of risk is very necessary to know and to provide ways of protecting the object of coverage and in the sense of insurance itself, it is interpreted in various ways by scientists. In everyday life, risk is always associated with the possibility of something that is detrimental and unexpected or something that is not desirable. Regarding risk, Sri Rejeki Hartono stated that risk is an uncertainty in the future regarding losses. [13] Risk is also interpreted by Subekti as an obligation to bear losses if there is an event beyond the fault of one of the parties that befalls the object referred to in the agreement. 16 According to H. M. N. Purwosutjipto risk is the obligation to bear the burden of losses that are caused by a cause of events beyond one's own fault. Meanwhile, according to RadiksPurba, Risk is a loss that is likely to exist and will be experienced, which is caused by a hazard that may occur but is not known in advance and when it will occur. [14]

Emmet J. Vaughan in his book Fundamentals of Risk and Insurance, suggests several definitions of risk, including the following: [15] a. Risk is the chance of loss (Risk is the chance of loss). Chance of loss is usually used to indicate a situation where there is an exposure (exposure) to the loss of a possible loss. If this is adjusted to the terms used in statistics, then chance is often used to indicate the level of probability that a certain situation will occur. b. Risk is the possibility of loss (Risk is the possibility of lost). The definition of Possibility means that the probability of an event is between zero and one. c. Risk is uncertainty (Risk is Uncertainty).

According to Gunanto in the book Fire Insurance in Indonesia. Risk is a possibility of loss or cancellation of all or part of the profit that was originally expected, due to an event beyond human control. According to Indonesian Wikipedia, risk is a hazard that occurs as a result of an ongoing process or future event. In insurance, risk is defined as a state of uncertainty in the occurrence of a condition that is not desired and can cause losses.

The term risk that exists in everyday life is very common, but scientifically the risk is very diverse, namely: [16]

a. Risk is a variation of the results that can occur during a certain period (Arthur Williams and Richard MH)
b. Risk is uncertainty that may give rise to loss events (A. Abas Salim).
c. Risk is the uncertainty over the occurrence of an event (Soekarno)
d. Risk is the spread/deviation of actual results from expected results (HemanDarmawi).
e. Risk is the probability of an outcome/outcome different from what is expected (Herman Darmawi).

From the various meanings above, the risks that exist in the sense of insurance are the uncertainty of a situation, the possibility of material and moral losses related to danger (hazard) and something that causes loss (peril).

From the definitions above, it can be stated that a risk has two elements, namely uncertainty and uncertainty. Risk also relates to the possibility of an unexpected and unwanted loss. Thus risk has the following characteristics: 1. It is uncertainty over the occurrence of an event. 2. It is an uncertainty that if it occurs will cause a loss.

From various p existing understanding of risk, then there are several elements that are in risk, as follows: [17] 1. Uncertainty between expectations and reality. Uncertainty is implied in the word "possibility", if there is certainty then it means there is no risk. 2. Identical to the loss and this loss may occur in the future and previously this loss cannot be ascertained when it will occur. 3. Closely related to insurance (risk is a principal part of insurance).

The element of uncertainty can cause losses in insurance. In this uncertainty, it can be divided into several, as follows: [18] a. Economic uncertainty, namely an event that arises as a result of changes in consumer attitudes, for example changes in consumer tastes or interests, or changes in prices, technology or the acquisition of new inventions, and so on. b. Uncertainty of Nature, namely an uncertainty that occurs caused by nature, for example fires, typhoons, storms, floods, epidemics and others. c. Human uncertainty, namely an uncertainty caused by human behavior (human uncertainty) for example robbery, theft, murder.

Classification of Risks in Insurance as follows: [12] 1. Pure Risk. Pure insurance risk is a risk that occurs will definitely cause a loss and if it does not occur it will not cause a loss. The pure risk of loss is bound to occur. For example bankruptcy, accident, fire. 2. Speculative Risk. Speculative risk is a risk with two possibilities, if it occurs it will cause a loss and may not cause a loss. For example, when someone invests in stocks on the stock exchange, the investment process will pose a speculative risk, that is, there is a possibility for and on the other hand there is a risk of loss as well. 3. Special Risks. Special risks, namely risks whose impacts and causes will only affect the private environment in quality and quantity. An example is a house fire, the impact that only affects the owner of the house and the environment of the house that is on fire. 4. Fundamental Risk. Fundamental risk is a risk that if it occurs can have a wide effect. Factors that influence and of course cause this risk, such as government policies, natural disasters, and so on.

In accordance with the nature and objects that are at risk, according to Robert Mehr (1986) suggests there are 5 (five) ways to deal with risks, namely: [19]

1. Avoiding Risk (Risk Avoidance)
   Not carrying out an activity that can cause a loss, for example avoiding the construction of multi-storey buildings in earthquake-prone areas.
2. Reducing risk (Risk Reduction), reducing the chance of a loss occurring. Example of providing anti-fire sprayers in offices.
3. Withhold risk (risk retention), do nothing against the

risk because it can cause losses.

4. Sharing risks (risks haring), sharing risks with other parties, for example through reinsurance.
5. Transfer the risk (risk transfer), transfer the risk to another party, namely the insurance company. The transfer of a risk to the insurance company does not necessarily just happen without any obligation to the party transferring the risk. There must be an insurance agreement in which the party who transfers the risk is the insured and the party who accepts the transfer of the risk is the insurer.

According to Article 246 of the Criminal Code, what is meant by insurance/coverage is: "An agreement by which an insurer binds himself to an insured by obtaining a premium, to provide compensation to him due to a loss, damage, or loss of expected profits that he may suffer due to an event unspecified"

The insurance agreement exists from the agreement of the insured party as the policyholder with the insurer or insurance company. It is contained in article 257 of the Criminal Code which reads as follows: "The coverage agreement is issued immediately after it is closed; the reciprocal rights and obligations of the insurer and the insured start from that time, even before the policy is signed.

In general, an insurance agreement can be referred to as a consensual agreement, which means that there is a reciprocal relationship between the two parties, which ultimately creates rights and obligations, so that there is an attachment to each of these parties. The attachment is proven by the issuance of an insurance policy. [20]

From the aspect of risk management, insurance can be said to be an efficient means of controlling risk financially. For the public or insurance customers, with control risk to this insurance there is a change or exchange of uncertainty in the budget to deal with risk, there is certainty that with a definite insurance premium budget; it is predictable that the compensation for losses from insurance if a risk actually occurs that is within the rules of the provisions of the insurance policy.

A. Risks Contained in Loss Insurance

Risk can be transferred to general insurance companies in the form of payment of insurance claims. Loss insurance company is a company that provides services in mitigating risks of losses, loss of benefits, and legal liability to third parties, arising from uncertain events. The existence of insurance is as a provider of financial assistance to those who experience losses due to risks that occur, not to eliminate or cancel a risk. Insurance provides financial guarantees to the insured for losses suffered due to the occurrence of a risk so as to minimize the value of the losses experienced.

The definition of Insurance according to Article 246 of the Commercial Code, the definition of Insurance is as follows: "Insurance/coverage is an agreement, by which an insurer binds himself to an insured, by receiving a premium, to provide compensation to him because of a loss, damage or loss of expected profits, which he may suffer due to an unspecified event."

In insurance there is an agreement which states that the insurance company will be obliged to mitigate the adverse effects of risks that occur by providing a sum of compensation money or even reimbursing for damages or losses arising from the risks that occur. In this case, the ownership of an insurance policy with a commitment to pay off the premium every time it is due will be considered as one of the efforts to carry out risk management. Trying to minimize the adverse effects of even greater risks occurring.

In general, the insurance agreement can be referred to as a consensual agreement, which means that there is a reciprocal relationship between the two parties, which then gives rise to rights and obligations, so that there is mutual attachment to each of these parties. The attachment is evidenced by the issuance of an insurance policy. Broadly speaking insurance consists of three categories, namely:

1. Loss insurance or general insurance
   Loss insurance is a business that provides services to overcome a risk of loss, loss, benefit, and legal responsibility from an uncertain event.
2. Life Insurance
   A form of cooperation between people that avoids or minimizes a risk caused by the risk of death, the risk of old age.
3. Social insurance
   Compulsory insurance programs organized by the government by law. Social insurance provides basic security to society and is not intended for commercial gain.

Loss Insurance is insurance that provides financial loss protection on the insured object due to a dangerous event. Usually the insured object is property or assets. These objects can be private homes, places of business, buildings, goods, to building projects. Loss Insurance is a type of insurance that is important for everyone to have because loss insurance offers quite a variety of benefits against possible financial losses that are not wanted by any object. The definition of loss insurance according to Molengraaff as quoted by Djojosoedarso: Loss insurance is an agreement by which one insurer binds himself to another insured to compensate for losses that can be suffered by the insured, due to the occurrence of an event that has been appointed and which is not necessarily by chance, with which the insured also promises to pay the premium.

In Loss Insurance guarantees loss or damage to property or interests directly caused by fire, accident, damage and the like. And it is divided into several types of insurance according to the goods or damage that occurs to the insured goods. There are several types of Loss Insurance, namely:

a. Fire insurance. Fire Insurance aims to replace losses caused by fire. Fire insurance coverage that guarantees loss/damage to property (fixed property and movable property) caused by fire, which occurs due to self-fire or external fire, due to bad air, carelessness, mistakes or inappropriate actions of the insured's servant, neighbours, enemies, robbers and whatever and in any way as a cause of fire." (Article 290 KUHD).

This form of coverage guarantees risks that occur due to fire, therefore it is necessary to hold a k contract (agreement) between the insured and the insurance company. Insured losses are losses resulting from fires that occur due to carelessness, mistakes caused by the insured's employees, neighbors, robbers or the like or other fires as long as they are not excluded. A fire insurance policy must be made up of a special policy which must meet the requirements as stated in Article 287KUHD: [21] The location of the fixed items that are suspended and their boundaries; its usage; The nature and use of adjoining buildings, just that, has an influence on the coverage in question; The price of the insured goods The location and limitations of the buildings and places where the insured movable objects are objects, stored or stacked.

b. Freight Insurance
Transport insurance is an insurance product whose purpose is to provide protection for goods transported, either by land, sea or air. This transport insurance is intended for individual owners of goods, institutions or companies who need protection for the transportation of goods. This transportation insurance is usually used for transportation using its own fleet or using the services of a transportation company.

c. Motor Vehicle Insurance
Motor Vehicle Insurance is a loss insurance product that protects the Insured from the risk of loss that may arise in connection with the ownership and use of a motorized vehicle.
Loss or damage to this Motorized Vehicle is the risk that is accounted for caused by: 1. Collision, impact, overturning, slipping from the road, including the result of material, construction, self-defect or other causes of the vehicle concerned. Other people's bad deeds. 3. Theft. 4. Fire. 5. Lightning Strike.

d. Marine Insurance
Sea Freight Insurance is an insurance agreement between the insurer and the insured for interests related to ships as means of transportation and goods as ship cargo from possible risks of damage or loss caused by sea hazards or other hazards related to sea hazards.

B. The Risks in Livestock Insurance

In insurance, the concept of risk is needed to analyze various ways to provide protection to the insured object, which in Livestock Insurance is a cow or a buffalo. And the State of Indonesia is a country that has a very wide area in the field of Animal Husbandry business. Livestock business activities will always be faced with uncertain risks of losses to farmers such as cows or buffaloes dying due to disease, cows or buffaloes dying due to accidents, cows or buffaloes dying due to giving birth, cows or buffaloes being lost due to theft. Most of these livestock businesses are small livestock businesses in which they cannot cover losses incurred due to the risk of uncertainty above. Therefore, the losses are large enough to cause the next business to have no capital, for this reason one of the efforts made is to transfer the risk with agricultural insurance/livestock insurance.

Livestock Insurance is a service industry based on operations referring to breeders, but not all breeders utilize the services of insurance agencies, because the occurrence is the result of a legal action between the insured party and the insured party in the form of an agreement or insurance policy. Insurance institutions are not a new form of institution among Indonesian people, but not all people understand and are willing to understand insurance institutions.

This Insurance Institution was formed to accept the transfer of risk from the Insured who binds himself to the Insurer. The Insurance Institute will also provide reimbursement to the Farmer if he suffers a loss which results in a loss of expected profit due to the death of livestock, loss, theft, giving birth, and so on. The occurrence of this risk transfer can only occur if there is an agreement in advance between the Insurance Company (Insurer) and the Breeder (Insured). Therefore the Insurance Agreement can be created on a voluntary basis and according to the will of both parties.

Then the risks that may occur to Cattle Cattle Entrepreneurs due to uncertain events that may occur can be overcome by transferring the Risk to the insurance company by entering into an insurance agreement that gives rise to the rights and obligations of each party. The insured object can be protected from various risks of losses that may occur. Therefore risk is the basis for the emergence of insurance agreements, without risk an agreement would not have arisen insurance.

The services offered by insurance companies are a sense of security and a sense of being protected from the occurrence of risks that are likely to occur and will be suffered by the insured. However, as a counter-performance, the insured must pay a sum of money in advance as a premium to the insurer. And finally a risk transfer mechanism or risk transfer is created from the insured (breeder) to the insurer (insurance company).

Various forms of risk sharing practices that are carried out can be seen from several perspectives on how the construction of risk sharing is carried out, namely as follows:

1. From a social perspective. Delegation of risk usually occurs when there is an element of cooperation between the insured (breeder) and the insurer (insurance company). Where the insured pays a premium with a predetermined amount and is relatively small, but when a risk occurs, the replacement will be greater than what was paid. This can happen because there is a collection of premiums that have been received from the insured to the insurer. And the premium payment will be paid back by the Insurer if the Insured Party suffers a loss due to the risk according to what is in the insurance agreement.
2. In terms of law. The transfer of risk occurs on the basis of the agreement of both parties and is considered to have been formed by an agreement between the insured (breeder) and the insurer (insurance company). The Insured agrees to hand over a sum of money to the Insurer and then the Insured will be compensated by the

Insurer if the Insured experiences a risk of loss in accordance with what has been agreed upon by the insurance.

The agreement is then made a deed by the Insurer which is called the Insurance Policy. And the Insurance Policy is used by the Insured as evidence. The procedure for implementing risk transfer must comply with the provisions that have been regulated and included in the insurance policy and applicable laws.

In Agricultural Insurance is divided into two, namely: a. Agricultural insurance with a plant scale such as premier crops such as rice, secondary crops or corn, also includes plantation crops such as lettuce, chili peppers, onions and others. b. Livestock Insurance covers Cows, Chickens, Ducks, and others.

The Ministry of Agriculture issued a program called Cattle Livestock Business Insurance (AUTS) as government support to advance the dairy cattle business in Indonesia. AUTS is a risk transfer mechanism from breeders to insurers with the aim of providing protection in bearing the risks of the cattle business through the provision of insurance claims.

The company appointed by the Ministry of Agriculture of the Republic of Indonesia to run the AUTS program is PT. AsuransiJasa Indonesia (Persero) on the basis of Article 28 of the Farmer Protection and Empowerment Law, the government and regional governments in accordance with their authority assigns state-owned enterprises or regionally-owned enterprises in the field of insurance to carry out agricultural insurance.

Decree of the Minister of Agriculture of the Republic of Indonesia Number: 02/Kpts/SR.220/B/01/2017 Concerning Guidelines for Premium Assistance for Cattle Livestock Business Insurance states that the risks guaranteed by farmers who take part in Cattle Livestock Business Insurance include: 1. Risks Guaranteed: a. Cows die from disease; b. Cows die in accidents; c. Cows die from calving; d. Cattle lost due to theft/stolen. 2. Risks that are not guaranteed: a. Fire; b. Plague and livestock extermination due to plague; c. Confiscation by order of the authorities; d. Natural disasters; e. Deaths due to negligence of breeders/stall workers; f. Forced slaughter of livestock due to barrenness; g. Diseases or injuries that existed at the time the insurance was submitted; h. riot or commotion; i. Strikes, employee disputes, wars, mutinies, insubordination and looting; j. Nuclear reactions and radioactive contamination.

4.2. Legal Characteristics of Insurance for the Death of Livestock Animals

4.2.1. Definition of Livestock Insurance

In Indonesia, besides the term insurance, the term coverage is also used. The use of the two terms seems to follow the terms in Dutch, namely assurantie (insurance) and verzekering (coverage). Indeed insurance in Indonesia originated from the Netherlands. In England, the terms insurance and assurance are used which have the same meaning. The term insurance is used for loss insurance while the term assurance is used for life insurance. Insurance means an insurance transaction, which involves two parties, the insured andguarantor. Where the insurer guarantees the insured party, that he will get compensation for a loss that he might suffer, as a result of an event that was originally not certain to occur or which initially could not be determined when/when it occurred. [22]

In Indonesia insurance is also called coverage, the term follows the Dutch terms, namely assutantie (insurance) and verzekering (coverage). The beginning of insurance in Indonesia came from the Netherlands. The term insurance is used to refer to loss insurance while assurance is used to refer to life insurance. Insurance is an insurance activity that involves two parties, namely the insured and the insurer. When the insured guarantees to the insured that he will be compensated for any losses he may suffer as a result of an event whose origin is uncertain or whose initial occurrence cannot be determined.

The definition of insurance according to Article 1 number (1) of Law Number 40 of 2014 concerning Insurance, is described as follows: Insurance is an agreement between two parties, namely the insurance company and the policy holder, which forms the basis for receiving premiums by the insurance company in return for: 1. Provide reimbursement to the insured or policyholder due to loss, damage, costs incurred, loss of profit, or legal responsibility to third parties that may be suffered by the insured or policyholder due to an uncertain event. 2. Provide payments based on the death of the insured or payments based on the life of the insured with benefits of a predetermined amount and/or based on the results of fund management.

Insurance or coverage is an agreement between two or more parties where there are two parties, namely the insured and the guarantor. The insurer acts as the party receiving the insurance premium paid by the insured party, while the insured party is the party receiving compensation due to loss, damage, loss of expected profit, or legal responsibility arising from an unwanted event. [23]

The definition of insurance according to article 246 of the Criminal Code, namely: "Insurance is an agreement in which an insurer binds himself to the insured by accepting a premium to provide reimbursement to him because of a loss, loss of expected profit or damage that may occur due to an uncertain event.

Based on this understanding, it can be stated that insurance has 3 elements including: 1. The insured (breeder) acts as a party that has an obligation to pay premiums to the insurer. 2. The insurer (PT. AsuransiJasa Indonesia) acts as a party that has an obligation to pay a sum of money to the insured. 3. An event that was clearly going to happen.

Insurance is an agreement where the insurer binds himself to the insured by accepting a premium to provide reimbursement to the insured due to loss, damage or loss of expected profits or can also be said to be legal responsibility to third parties that the insured may suffer arising from an incident that not sure.

Insurance has various benefits including: [24] 1. Insurance is able to act as a risk neutralizer, meaning that when the risk occurs and it tends to get bigger, the insurer tries so that the risks experienced by the company are not getting higher or can be eliminated. 2. Insurance as a compensation party means that if an unexpected event occurs, the insurer will provide compensation to the insured in accordance with the agreement. 3. Reducing the fear and anxiety faced by the insured. 4. Generate optimum production levels, price levels and price structures.

Insurance is a willingness to set small/little losses that are certain as a substitute for big losses that are uncertain or it can be stated that people are willing to pay small losses at the present time so they can face big losses that might occur. in the future. Insurance aims to transfer existing risks to insurance companies. Insurance has social characteristics towards society, namely by providing certain benefits such as old age guarantees and others, insurance contracts are made in writing and bind the parties to the agreement.

Agricultural insurance is an agreement between the farmer and the insurer to bind themselves to the risk coverage of the farming business. Further definitions of farmers are specified in Pasa l 1 section 3 Permentan No.40/Permentan/ SR.230/7/2015, that farmers are individual Indonesian citizens and/or and their families who carry out farming in the field of food crops, horticulture, plantations and/or animal husbandry.

Cattle Livestock Business Insurance is an agreement between the insurance company as the insurer and the farmer as the insured where by receiving the insurance premium, the insurance company will provide compensation to the farmer because the cow/buffalo dies due to disease, accident and calving, and/or loss according to the terms and conditions of the policy insurance.

The benefits of having insurance obtained by groups of farmers/breeders in participating in Cattle Livestock Business Insurance are:

1. Farmer groups get guarantees or compensation if cows die due to disease, cows die due to accidents, cows die due to calving, cows are lost due to theft. Compensation can be given by the insured to the insurer with the following conditions: a. There is death of the insured cattle; b. Cattle death occurs within the coverage period.
2. Peace and calm in carrying out the livestock business, where farmers do not have feelings of fear of experiencing losses if the cattle die, because the cattle have been insured. To submit insurance claims, it is done when the livestock dies and is immediately reported to Jasindo to make a claim, and a month after the cattle dies, the claim submitted will come out in accordance with the agreement.
3. The Cattle Livestock Business Insurance Program (AUTS) is of course very profitable for the implementing group, because the cattle breeders will be assisted by the government in terms of premium payments in terms of premium subsidies.

Based on this understanding, it can be understood that cow insurance is an agreement. As an agreement, the terms of the legality of the agreement follow the provisions of the Civil Code (KUHPerdata). Article 1320 of the Civil Code explains that there are 4 (four) conditions for the validity of an agreement, namely: agreement of the parties, authority to act, certain objects, and lawful causes.

First. Agreement of the parties. In the AUTS program, there is an agreement between the insurer (insurance company) and the insured (cattle breeder) to enter into an insurance agreement. It is called an insurance agreement because it contains objects that are the object of insurance, namely cows owned by breeders. There is a transfer of risk and payment of premiums from the insured. Meanwhile, compensation from the insurer. The agreement is made in writing which is called a cow insurance policy. Because this is a special agreement, the special conditions for cattle insurance set by the authority of the ministry of agriculture must be obeyed. Agreements between insurance companies and cattle breeders are not carried out under influence, pressure or coercion. [25] Both parties entered into an agreement on the basis of mutual consent and guided by the applicable regulations.

Second. Authority. The insurer and the insured in entering into an insurance agreement must be ensured that they have the authority to carry out legal actions. Here there is a difference between the terms of authority that are subjective and objective. The condition for subjective authority means that both parties are adults, have healthy minds, and are not under the care of another person. The objective authority requirement means that the insured has a legal relationship with the object of insurance, considering that the object is the property of the insured. The insurer is the legal party representing the insurance company. The insurer and the insured when entering into an insurance agreement must be ensured that they have the authority to carry out legal actions. The terms of authority here have differences between those that are subjective and objective. Subjective means that both parties are adults, have healthy minds, and are not under anyone's care. Objective means the insured has a legal relationship with the insured object. Given that the object is the property of the insured. The authority of the parties in the implementation of AUTS is that the insurer will bear the risks of the cattle/buffalo farming business, receive premium payments and issue an insurance policy as a basis for the agreement to pay compensation claims if a loss occurs according to the terms and conditions of the insurance policy. Meanwhile, the insured who insures cattle to be included in the cattle insurance program is proven by filling out the insurance application form and paying the insurance premium.

Third. Specific object. Insurance is closely related to the issue of risk. In risk management, the presence of insurance is one way to manage it by transferring risk to other parties. What is meant by a certain object in the insurance agreement is that the insured object can be in the form of assets or interests attached to the assets, it can even be in the form of a human body or soul. Important to in understand that the specific object here must be clear and certain. If it is in the form of assets, then it must be able to explain the type, amount, and can be cashed. If it is body or soul, it can be determined how old he is, what is his relationship with his family, and where is his address.

The Ministry of Agriculture, which also oversees the livestock sub-sector, in 2016 implemented the Cattle Livestock Business Insurance program (hereinafter abbreviated as AUTS) as a manifestation of the government's partisanship in efforts to protect farmers from the risk of death and/or loss of cattle. AUTS is expected to be able to provide protection to cattle breeders in the event of a cow dying due to disease, calving and accidents and/or loss by transferring losses to other parties through insurance coverage, as well as being able to provide education to breeders in risk management and a good livestock business system.

Livestock that can only be insured in the AUTS program are fire livestock. It is not only due to the scarcity of cattle that causes an increase in the price of beef, but also related to the business characteristics of the agricultural sector, particularly the cattle breeding and cultivation sub-sector which are at high risk because they are vulnerable to disease and death, which conditions can cause losses to cattle breeders. although there are still other livestock, such as goats, chickens, buffaloes, which actually also have a risk of disease and death, specifically for cattle the price is higher than other livestock and there is also still a lack of beef to meet people's needs so this is the reason behind the government in making the AUTS program. [26]

Cattle farming business has big risks such as the risk of death due to disease, loss and accidents. Another risk faced by the livestock sector is that the products produced are prone to disease and require intensive care. To protect breeders, in accordance with Law Number 19 of 2013 concerning Protection and Empowerment of Farmers by providing protection in the form of livestock insurance. Livestock insurance is a transfer of livestock risk with the aim of protecting farmers in the form of compensation in the event of livestock death due to disease, accident, calving and loss in accordance with the terms and conditions of the insurance policy so that the sustainability of the livestock business can be guaranteed.

Based on these provisions, businesses in the livestock sector are also included. Provisions regarding the definition of farmer groups contained in Article 1 section 4 of the Minister of Agriculture No. 40/Permentan/SR.230/7/2015, that farmer groups are groups of farmers or breeders or planters formed on the basis of common interests, similarity in social, economic, environmental conditions, resources, commodity similarities, and familiarity to improve and develop members' businesses. Based on these provisions, breeders are included in farmer groups.

Cattle Livestock Business Insurance is an agreement between the breeder and the insurance company, namely PT AsuransiJasa Indonesia (Persero) to commit itself to risk coverage for the cattle business, which essentially aims for the welfare of the people. In the Criminal Code, there are 2 ways to arrange insurance, namely general and special arrangements. General arrangements are contained in book I chapter 9 Article 246 to Article 286 of the Criminal Code which apply to all types of insurance, both those regulated in the Criminal Code and those outside the Criminal Code, unless specifically stipulated otherwise. Insurance arrangements in the Criminal Code prioritize the civil aspect which is based on an agreement between the insured and the insurer. The agreement creates reciprocal obligations and rights of the insured and the guarantor. As a special agreement, insurance is made in writing in the form of a deed called an insurance policy. [27]

4.2.2. Principles of Insurance

Based on the understanding of the Criminal Code and Law Number 40 of 2014 concerning Insurance, insurance contains four elements, namely: 1. The participant (insured) promises to pay a premium to the insured, all at once or in stages. 2. The insured party (insurer) who promises to pay a sum of money (compensation) to the participants, all at once or in stages if something that contains an unspecified element occurs. 3. An event (accident) that is not certain (which is not known before). 4. Interests that may suffer losses due to unspecified events.

4.2.3. Insurance Policy and Premiums

(i). Insurance Policy

An insurance policy is evidence of a written agreement made by the insurance company (the insurer) with the customer who uses the insurance service (the insured), which explains all the rights and obligations between the two parties. The insurance policy will men so legal written evidence in the agreement made by the insurer and the insured party. With an insurance policy, both parties who enter into the insurance agreement will be bound and have their respective responsibilities as agreed from the start. The insurance policy is very important in the insurance service itself, because the policy will protect every right and obligation of the customer and the insurance company.

According to the provisions of Article 255 of the Criminal Code, the insurance agreement must be made in writing in the form of a deed called a policy. Based on these provisions, it can be seen that the policy serves as written evidence that an insurance agreement has occurred between the insured and the insurer. As written evidence, the contents contained in the policy must be clear, may not contain words or sentences that allow for different interpretations, making it difficult for the insured and the insurer to realize their rights and obligations in the implementation of insurance.

Besides that, the policy also contains agreements regarding special terms and special promises which are the basis for fulfilling rights and obligations to achieve insurance goals.

However, Article 257 KUHD Paragraph (1) states that the coverage agreement already exists, immediately after the agreement is reached, even before the policy is signed. But it is different according to Article 258 of the Criminal Code paragraph (1) which says that in order to prove the existence of an insurance agreement, it must be proven by a letter, but all attempts at proof will be permitted if there is a start of proof by a letter. From the sound of this article it is clear that the policy is not a condition for the validity of the agreement but is merely a means of evidence in the insurance agreement. Even Emmy PangaribuanSimanjuntak said that the policy was the perfect proof of what they had promised in the policy. [28]

Function of the Insurance Policy for the Insured: Being a written proof of guarantees for coverage of various risks and compensation for losses that may occur to the insured, where the loss is written in the policy. Be proof of premium payment given to the insurance company as the insurer. Become the most authentic evidence to sue the insurer, if at any time it is negligent or does not fulfill the guarantees that become its responsibility

Function of the Insurance Policy for the Insurer: Being a proof or receipt of insurance premiums paid by the insured. Be written evidence of the guarantee given to the insured to pay compensation that may be suffered by the insured. Be the most authentic evidence to reject claims for compensation or claims submitted by the insured, if the cause of the loss does not meet the requirements of the policy owned.

Contents in the Insurance Policy: According to the provisions of Article 256 of the Criminal Code, every policy except for life insurance must contain the following conditions: Day and date of making the insurance agreement. Name of the insured for himself or for a third party. A clear description of the insured object. Insured amount. The hazards/events borne by the insurer. When the hazard/event starts and ends, it is the responsibility of the insurer.

(ii). Insurance Premiums

In general, all conditions that need to be known by the insurer and all special promises made between the parties. Insurance premium, in insurance, the premium is the amount of money that must be paid by the insured to the insurance company (the insurer). Insurance premiums are costs that are borne and must be paid by the insured within a certain period of time according to a previous agreement. Generally, the premium payment system is monthly, but this goes back to the company and the initial agreement.

According to Law Number 40 of 2014, premium is an amount of money determined by an insurance company or reinsurance company and agreed by policyholders to be paid based on an insurance agreement or reinsurance agreement, or an amount of money determined based on the provisions of the laws and regulations underlying the insurance program. required to benefit.

Based on the Cattle Livestock Business Insurance Assistance Guidelines for the 2017 Fiscal Year, the purpose of organizing this AUTS is to protect the loss of the economic value of the cattle business due to the death of cattle, so that farmers have working capital to continue their business. As for the Ministerial Decree Number: 02/Kpts/SR.220/B/01/2017 Concerning Guidelines for Premium Assistance for Cattle Livestock Business Insurance, it states the Aims and Objectives of AUTS are: a. The purpose of AUTS is to transfer the risk of business losses due to cattle death and/or loss to other parties through an insurance coverage scheme. b. The aim of AUTS is to protect cattle farmers from business losses due to death and/or loss so that farmers can continue their business.

In the book Farmer Protection Insurance issued by the Ministry of Agriculture, Cattle Livestock Business Insurance is intended to protect farmers who suffer losses due to cows that are attempted to die due to disease, accidents, calving and cows lost due to theft. The purpose of AUTS: 1. Protect farmers in raising cattle, 2. Provide working capital assistance with an insurance claim mechanism if the cows die or are lost so that the continuity of farming can be guaranteed. 3. Securing cattle production. 4. Help implement Good Breeding Practice (GBP) for cattle. 5. Providing confidence in the access of financial/banking institutions to distribute in the livestock sector because there is a guarantee against risks that will occur.

Livestock insurance aims to protect breeders so that breeders can run their business safely because the risks in the livestock business are guaranteed by the insurance. Implementation of livestock insurance involves various parties or related agencies including livestock services, insurance companies, breeders. The mechanism for implementing livestock insurance is as follows: [29] 1. The District/City Animal Husbandry Service conducts data collection and provides assistance to prospective cattle insurance participants who carry out livestock businesses. 2. The District/City Animal Husbandry Service then compiles data recapitulation of prospective cattle insurance participants (Temporary Participant List), then submitted to the Implementing Insurance Company, namely PT Jasindo. 3. PT Jasindo together with related agencies conduct socialization to prospective AUTS participants to register. 4. If PT Jasindo approves the prospective AUTS participant as a participant, the participant must pay a self-help premium of 20% of the premium rate. Furthermore, PT Jasindo provides evidence as participant participation in the form of: a. Original proof of self-help premium payment. b. Insurance policy or certificate. 5. PT Jasindo submits the recapitulation of policies that have been issued by District/City SKPDs that carry out livestock and animal health functions to serve as the basis for issuing the Definitive Participant List (DPD). 6. The head of the Regency/City SKPD carrying out the husbandry and animal health functions makes a DPDAUTS summary based on the policy recap from PT Jasindo and submits it to the SKPD head carrying out the husbandry and animal health functions in the Province. 7. The head of the Provincial SKPD who carries out the functions of livestock and animal health makes a recapitulation of the AUTS DPD from each district/city and submits it to the Directorate General of Livestock and Animal Health. 8. The Directorate General of Livestock and Animal Health makes a recapitulation of the AUTS DPD from each Province and submits it to the Directorate General of Agricultural Infrastructure and Facilities. 9. Based on the policies issued by each insurance branch, PT Jasindo submitted a bill for premium assistance to the Directorate General of Agricultural Infrastructure and Facilities.

Cattle Livestock Business Insurance (AUTS) in reality provides coverage for the death of the insured cattle caused by disease, accident, calving and theft with the following limitations: 1. Cows die due to disease: Sick cows are the physical condition of the cows characterized by pathological deviations from keada and normal health, caused among others by degenerative processes, metabolic disorders, trauma, poisoning, parasitic infections, and infections with pathogenic micro-organisms such as viruses, bacteria, fungi, and rickets. 2. Cattle die due to accident: Cattle accident is an event that can cause physical disability that has the potential to cause death to the insured cow. 3. Cows die due to calving; It has a limitation, namely "The cow that dies due to calving that is guaranteed is the mother, not a calf or both, because what is guaranteed is one cow and cannot be replaced" (IkaLaksmi, 4 July 2019). 4. Cattle lost due to theft: A lost cow is a cow lost due to theft without the owner's knowledge resulting in a loss as evidenced by a loss certificate from the local police which is known by the District/City Office.

Cattle Livestock Insurance Premium Insurance premium for cattle is 2% of the sum insured of IDR 10,000,000 per head, namely: IDR. 200,000, -per head per year. The amount of premium assistance from the government is 80% or Rp. 160,000 per head per year and the rest is 20% or Rp. 40.000,- per head per year.

Premium payment provisions are regulated in the 2020 Minister of Agriculture, it is determined that: "Insurance premium for cattle is 2% (two percent) of the insured price of Rp. 10,000,000.- (ten million rupiah) per head, which is Rp. 200,000,- (two hundred thousand rupiah) per head per year. The amount of premium assistance from the government is 80% (eighty percent) or Rp. 160,000, - (one hundred sixty thousand rupiah) per head per year and the rest is self-supporting by the breeder of 20% (twenty percent) or Rp. 40,000,- (forty thousand rupiah) per head per year".

Based on the provisions issued by the Ministry of Agriculture (2020) listed in the guidebook for Cattle Livestock Business Insurance (AUTS) premium assistance, the participant criteria, livestock criteria, insured risks, implementation mechanism, claim procedure and AUTS compensation are described as follows: 1. The criteria for participants participating in the AUTS program are as follows: fattening and breeding businesses for both beef and dairy cattle (individuals/groups/group/cooperative/ company). Willing to implement good livestock management (Good Farming Practice and Good Breeding Practice). Willing to pay insurance premiums and fulfill the terms and conditions of insurance policies including clauses. Not all cattle breeders benefit from the protection of this cattle insurance. There are several criteria for prospective policy recipients, both business actors and criteria for protected cattle and risks that can be guaranteed. The recipient of the cattle insurance policy is the business actor for fattening and/or breeding both beef cattle and dairy cattle. Cattle breeders must also join an active livestock group and have a complete caretaker. In addition, breeders are willing to implement good livestock management (Good Farming Practice and Good Breeding Practice). The broad terms and conditions of the insurance scheme are as follows: dairy cows, milch buffaloes, and bulls (both native and crossbreed) are eligible for insurance; the insured age is between two and twelve years; insurance coverage value is based on the agreed base value. 2. Livestock Criteria. Cows are prioritized for participants in the Commander program. Farmers who register must have a Resident Identification Number (NIK), Cattle have clear marking/identity (eartag or other), Cattle breeders are willing to pay a self-help premium of 20% (twenty percent) or Rp. 40,000, - (forty thousand rupiah) of the total premium value of Rp. 200.000,- (two hundred thousand rupiah), Cattle breeders are willing to fulfill the terms and conditions of the insurance policy.

The criteria for cattle protected by insurance are beef cattle and dairy cows owned by businesses. The minimum number of cows insured is: 4 (four) for one applicant, whether individual, cooperative or company. Cows have a clear marking or identity in the form of a microchip, eartag or something else. Regarding age, protected cows are 8 months to 6 years old. However, not all risks are guaranteed by insurance companies. Only the loss factor in the form of theft and the factor of death due to disease and accidents including death due to childbirth. The risks that are not guaranteed by the insurer include the death of a cow due to anthrax epidemic, Septicemia Epizootica, Johne'sDisease, Tuberculosis, Anaplasmosis, Leucosis. Then the destruction of cows due to an outbreak on the order of the authorities, the death of a cow due to the negligence of insurance participants, employees or stable staff in managing livestock rearing is also not covered. Other risk factors are not guaranteed, namely due to looting, strikes, clashes, wars, rebellions, mutiny, and radioactive contamination, hurricanes also not covered. 3. Guaranteed Risks Decree of the Minister of Agriculture of the Republic of Indonesia Number: 02/Kpts/SR.220/B/01/2017 Concerning Guidelines for Premium Assistance for Cattle Livestock Business Insurance states that the risks guaranteed by farmers who take Livestock Business Insurance Cattle include: a. Guaranteed Risk: Cattle die from disease. The cow dies in an accident. Cows die due to calving. Cattle lost due to theft or being stolen. b. Risks that are not guaranteed: Fire, Plague and livestock destruction due to epidemics, Confiscation based on orders from the authorities, Natural disasters, Deaths due to negligence of breeders/stall workers, Forced slaughter of livestock due to infertility, Diseases or injuries that were present at the time the insurance was applied for, Riots or civil commotion, strikes, civil strife, civil war, war, mutiny, mutiny and looting, nuclear reactions and radioactive contamination. c. Compensation. Compensation can be given by the insured to the insurer under the following conditions: There is death or loss of the insured cattle. Cattle death occurs within the coverage period. And Implementation Mechanisms.

The implementation of AUTS involves various parties/agencies. In general, the implementation mechanism for AUTS Registration of Participants through the SIAP application is: 1. Farmers/livestock groups are accompanied by livestock officers/KostraTani Coordinators/UPTD/ BPP/Veterans in filling out the digital registration form according to the form provided (Form AUTS-1). 2. The Implementing Insurance Company conducts a registration assessment. 3. Self-help premiums are paid to the insurance executor's account (insurer). 4. The policy is issued automatically through the SIAP application, the Implementing Insurance will notify the policy activation via SMS blasting to the mobile number registered by the livestock group. 5. The District/City Animal Husbandry and Animal Health Service makes the AUTS Definitive Participant List (DPD). Furthermore, the District/City Animal Husbandry and Keswan Services Office uploads the DPD determination through the SIAP application (Consideration and Attachment to the AUTS-2 Form). 6. The Provincial Animal Husbandry and Keswan Services make a recapitulation of the DPD from each Regency/City through the SIAP application (FormAUTS-3). 4. Claim. In case of death of a cow: The Insured immediately contact the authorized Veterinarian/ Government Veterinarian if there is no Veterinarian can contact the paramedic veterinary under the supervision of the Veterinarian. Furthermore, the Insured accompanied by a Veterinarian/veterinary paramedic under the supervision of a Veterinarian makes a claim report according to the AUTS-5 form by attaching the minutes of livestock death according to the AUTS-6 form which is accompanied by supporting documents for the claim. Documents supporting the claim include: Photos of livestock deaths whose identity is clearly visible using an open camera. Examination/visum results. KTP photo. Submission of claims to the insurance company no later than 7 working days after the death or loss of livestock. 5. Approval of Claims. The official report on the results of inspection of cattle for death and loss using the AUTS-6 form is the approval of the value of the claim by the implementing insurance to the insured. The insured submits a correct and active account number via the SIAP application and cannot be authorized except to the family as evidenced by a family card. If within 14 working days from the notification of the occurrence of a claim and the AUTS-6 form has been signed by the relevant party, approval has not been issued in the SIAP application, then the value of the claim submitted is declared agreed by the executor insurer. The insurer issues a Discharge Form letter which is automatically issued in the SIAP application after the complete AUTS-6 form is signed (approved through the SIAP application). 6. Claim Payment. The executing insurance company pays claims within 14 working days from the issuance of the Discharge Form on the SIAP application. Claim payments are carried out by transfer to the Insured's active account through the SIAP application and cannot be authorized except to the family as evidenced by a family card. 7. Claims and Compensation Procedures. Claim Submission. If the insured cattle die due to disease, accident or calving, and/or loss, then the Insured can submit a claim to the Insurer. Submission of claims can be made by the Insured to the Insurer with the following conditions: [26] The policy has been issued by the implementing insurance. There is a potential death for the insured cattle. Cattle death occurs and/or loss occurs within the coverage period. The Service Officer in charge of the Animal Health Function together with the Insured fills out the AUTS-5 Form through the SIAP application.

If the livestock is at risk of death and the farmer wants to process a policy claim, immediately process the claim documents and contact a doctor. Animals or technical personnel appointed by the local office. Claims can be filed provided that the premium is paid regularly, there is death or loss of the insured cattle and occurs during the coverage period. The insurance coverage period is basically valid for 1 year since the insurance agreement was made as evidenced by the issuance of the cattle insurance policy. If a cow dies, the policy beneficiary immediately contacts a designated veterinarian or technical officer. If a cow is stolen or lost, the policy recipient immediately reports the loss to the local police office.

For the claim process, the farmer completes several claim documents such as photocopies of the insurance policy, minutes of loss or death of cows from the policy beneficiary signed by officials from the animal husbandry and animal health service in the local Regency/City. Farmers must present a loss certificate from the local police in case of loss, documentation and photos of death (in the event of death) and post-mortem results from the veterinarian and authorized technical officers. The amount of claim acceptance is also adjusted to the risk that causes the claim process. For the factor of death due to illness and the farmer had time to sell his meat, the claim received will be reduced by the amount of proceeds (sales) received by the farmer.

Notice of Potential Claims. If there is a potential claim on the insured cattle, the Insured will immediately notify the Insurer. Notification can be delivered verbally/telephone/ WA/other formal notification.

Result of Salvage. Gain/Rescue Value (Salvage Value) is the residual value of cattle that still have economic value after being forced to slaughter. The proceeds from the sale of sick cattle in the form of meat constitute a salvage value and are calculated as a reduction in the amount of claims that will be received by the Insured. The salvage value is set at 50% (fifty percent) of the sum insured.

Own Risk. If the cow is lost due to theft, then the compensation for the claim to the Insured is reduced by the risk of 30% of the sum insured.

4.2.4. Liability of the Insured

In the Criminal Code, namely: The policy must be immediately signed by the insurer (Article 259 KUHD). The policy is immediately submitted by the insurer (Article 260 KUHD). Requesting compensation from the insurer for the negligence of the insurer in signing the policy and submitting the policy causing loss to the insured (Article 261 of the Criminal Code). The insured can release the insurer from all his obligations in the future through the court. Furthermore, the insured can insure his interests with other insurers for the same time and danger as the first insurance (Article 272 KUHD). Demand a refund of the premium in whole or in part, if the insurance agreement is canceled or aborted. With the condition that if the insured is in good faith, while the insurer concerned has not assumed the risk (Article 281 of the Commercial Code). Ask for compensation from the insurer if the event promised in the policy occurs. The obligations of the insured according to (KUHD) are: Pay premiums to the insured (Article 246 KUHD). Providing information regarding the insured object to the insurer truthfully (Article 251 KUHD). Trying or preventing events that can cause harm to the insured object does not occur or can be avoided. If it can be proven by the insurer, that the insured is not trying to prevent the incident from happening, it can be one of the reasons for the insurer to refuse to provide compensation, instead demanding compensation from the insured (Article 283 KUHD). Notifying the insurer that an event has occurred that befell the insured object, accompanied by efforts to prevent it.

4.2.5. Insurer's Rights

The insurer's rights in agricultural insurance are the same as those of other insurance companies, namely: Demand premium payments to the insured in accordance with the agreement. Ask for correct and complete information from the insured relating to the object insured against him. Have a premium and even demand it in the event that the event that was agreed to occur but was caused by the insured's own fault (Article 276 of the Commercial Code). Have a premium that has been received in the event that the insurance is canceled or aborted due to fraudulent actions of the insured (Article 282 KUHD). Re-insure to other insurers, with the intention of sharing the risks they face (Article 271 KUHD).

The obligations of the insurer are: To demand payment of the premium to the insured in accordance with the agreement. Ask for correct and complete information from the insured relating to the object insured against him. Returning the premium to the insured if the insurance is canceled or void, provided that the insured has not borne the risk in part or in full (Article 281 of the Commercial Code). Billing to the Government regarding subsidized premium payment assistance.

5. Conclusion and Suggestion

5.1. Conclusion

Based on the results of the research and also the discussion described above, the following conclusions can be drawn:

First. In insurance, risk is an uncertain situation that has the possibility of causing loss both materially and morally, but it is not known in advance when exactly it will occur. And it can be concluded that risk has two elements, namely uncertainty and uncertainty. Livestock risk can also be transferred with Livestock Insurance, Risk transfer also has criteria that must be met first. In transferring risk to the insurer, namely the insurance company, it does not immediately happen without the obligation of the insured, there must be an insurance agreement which contains the party transferring the risk as the insured and the party receiving the transfer of risk as the insurer. Livestock risk can also be transferred with Livestock Insurance, Risk transfer also has criteria that must be met first.

Second. Cattle Livestock Business Insurance (AUTS) is an agreement between farmers from the insurance company to bind themselves to the risk coverage of the Cattle/Buffalo Livestock Business. Decree of the Minister of Agriculture of the Republic of Indonesia Number: 02/Kpts/SR.220/B/01/2017 Concerning Guidelines for Premium Assistance for Cattle Livestock Business Insurance states that the risks guaranteed to farmers who take part in Cattle Livestock Business Insurance include: Risks Guaranteed: Dead cows because of disease, cows die because of accidents, cows die because of calving, cows are lost due to theft or being stolen.

5.2. Suggestion

It is better if the government and insurance companies that have been appointed to carry out Livestock insurance for livestock business actors immediately socialize Cattle Livestock Business Insurance to the Cattle Farming business group. That is one of the effective risk transfer strategies in anticipating losses that will be experienced by cattle breeders if they experience losses such as cattle or buffalo dying from disease, cows or buffalo dying from accidents, cows or buffalo dying from giving birth, cows or buffalo being lost due to theft.

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