

The Concept of Prevention Against The Criminal Act of Forgery of Signatures By Customers or Agents at Insurance Companies In Indonesia

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ABSTRACT

Signature forgery in the insurance industry is a crime that violates the principle of utmost good faith and causes losses for both insurance companies and customers or policyholders. This crime is often committed by agents and policyholders to obtain illegitimate profits, which creates legal uncertainty and reduces public trust in the insurance industry. Therefore, this study focuses on how a prevention concept can be formulated to address the crime of signature forgery, while also examining the causal factors and the gaps in existing regulations. This research is a normative legal study using statutory, conceptual, and case studies. The data used consists of primary legal materials in the form of laws and regulations related to insurance and forgery, as well as secondary legal materials in the form of literature, journals, and previous research findings. The analysis was conducted qualitatively, emphasizing the synchronization between crime prevention theory and the application of positive law in Indonesia. The research results indicate that signature forgery in the insurance industry occurs due to weak document verification mechanisms, a lack of education for agents and customers, and legal loopholes in insurance regulations. Possible preventative measures include strengthening digital authentication systems, improving internal oversight, ethics and legal awareness training for agents, and harmonizing regulations to align with technological developments and industry needs. Therefore, this research contributes to the formulation of preventive measures that can strengthen the integrity of the insurance industry in Indonesia.

Keywords: Signature forgery, crime prevention, insurance

INTRODUCTION

In modern life, various types of uncertainty arise that can cause chaos. Health crises, natural disasters, and economic fluctuations can impact modern life. In response to these challenges, it is crucial for people to have financial protection as a precaution against unexpected events. Insurance is one step that can be taken to protect the community's economy. The benefit is that the burden of costs arising from accidents, illnesses, or even natural disasters can be transferred to the insurance

company concerned. Insurance plays a crucial role in dealing with catastrophic events, both for individuals and companies.

Insurance serves as protection by transferring risk from individuals or legal entities to insurance companies. With insurance, people can obtain economic certainty and protection through a written agreement between them and the insurance company. Furthermore, the benefits of insurance extend beyond financial coverage. They also extend to legal protection for the policyholder or their beneficiaries affected by adverse events. This demonstrates that the essence of insurance ownership is the transfer of risk, which can be claimed through a premium system for unforeseen events. In addition to risk protection, insurance can also contribute to financial stability, savings mobility and foster national economic growth.

Public awareness of the importance of professional risk management has led to significant growth in the insurance industry in Indonesia. Furthermore, the growth of the insurance industry is also driven by the advancement of digital transformation. The public is increasingly encouraged to participate in insurance products, both conventional and Sharia-compliant. Insurance is considered as a form of investment that has its own advantages in a certain period.

Despite its strategic role, the insurance industry often faces complex challenges, such as corporate integrity in managing insurance contract documents. Document validity is a crucial element in the relationship between the insurer and the insured. This is an absolute requirement for both parties to ensure the promised protection is delivered fairly and transparently. These issues can lead to financial losses for insurance companies and undermine public trust in the industry. Furthermore, many companies still maintain manual and inefficient systems, which can lead to potential input errors and document manipulation. This weakness is further exacerbated by weak internal audit systems and the limitations of the verification technology implemented by companies.

Beyond technical factors, weak existing regulations are a factor that needs to be considered to strengthen the security of the insurance industry. Although Law No. 40 of 2014 regulates company responsibility for agent actions, in practice, agents still frequently falsify information due to weak administrative sanctions. A study

noted that in cases of misleading information provided by PT Allianz Life Indonesia agents, the responsibility for this was often shifted to the company, while the perpetrators were not given strict sanctions. This has the effect of giving agents the freedom to act manipulatively without significant consequences.

The Financial Services Authority (OJK) has fundamentally regulated consumer rights and complaint mechanisms through POJK No. 1/POJK.07/2013. However, on the ground, monitoring of agents committing violations such as signature forgery and data fraud often goes undetected. In some cases, the OJK's role often arises when the problem has escalated into a legal dispute with the company. Thus, violations committed by agents in the field are often not directly prosecuted by regulators, because they rely on customer or company reporting.

Stricter sanctions should be imposed on those who commit forgery to deter them and prevent similar incidents from occurring again. Administrative and criminal sanctions vary depending on the type and consequences of the violation. Administrative sanctions can include revocation of business licenses, administrative fines, or suspension of business activities. Criminal sanctions, which are regulated by various laws, can be tailored to the type of violation committed. Forgery of documents such as original deeds can result in a prison sentence of four to eight years. Furthermore, if the incident causes significant harm to the public, criminal penalties can be increased. These sanctions protect the public, maintain public trust, and effectively uphold justice.

To date, fraud prevention and detection still rely on internal company policies. Companies need to establish clear lines of authority, transparently divide tasks, and provide rewards for reporting fraud. Furthermore, the integrity and compliance of all employees must be improved to prevent opportunities for fraud. Companies also need to implement good corporate governance and a strong ethical culture to strengthen internal control systems. Furthermore, regular evaluation and training related to internal policies can be conducted to ensure that the systems remain relevant and adaptable to new risks.

Another issue in the supervision of insurance agents in Indonesia is the gap between regulations and actual practice. Both the law and the Financial Services Authority

(OJK) regulations establish standards of conduct for agents, including the obligation to provide accurate information to customers. However, the reality on the ground shows that many agents violate the principles of transparency and integrity without firm sanctions from the company. This is due to weak internal systems and a lack of compliance with existing authorities. Studies have shown that weak technical regulations and routine oversight can create gaps in human resource quality control and audit standards. As a result, the rules that were supposed to provide protection for consumers and encourage professionalism among agents have instead become tools with little power in the field.

The gap between regulations and actual practice needs to be addressed to increase public trust in the insurance industry and prevent various forms of fraud that frequently occur. Collaboration between companies and law enforcement can be achieved by forming working teams and exchanging data and information through a dedicated platform. This collaboration can expedite and simplify the investigation process into fraudulent activities, even those with a high level of complexity. With structured and ongoing collaboration, enforcement and prevention of all forms of fraud will become more efficient and transparent. This can, in turn, increase public trust in the insurance industry.

Handling and preventing signature forgery in the Indonesian insurance industry is crucial. The losses caused by this fraud are not only financial but also impact other aspects such as reputation and public trust in the industry. Technological developments such as CNN have been shown to improve the accuracy and verification of signature forgery. In addition, a blockchain-based digital signature verification system can strengthen document security systems and reduce the risk of document forgery. These technical efforts need to be integrated into insurance companies in Indonesia.

The legal aspects of signature forgery are regulated in the Indonesian Criminal Code and other regulations. Perpetrators can be subject to imprisonment and/or fines, as stipulated in Article 263 of the Criminal Code. In addition to criminal sanctions, officials involved can be subject to administrative sanctions, such as dismissal from office. In the judicial process, forensic evidence, expert testimony, and the context

of the document forgery can be considered by judges when imposing sanctions on perpetrators. As a preventative measure, companies need to cooperate with law enforcement to take firm action against perpetrators and prevent recurrence.

Although fraud involving forged signatures on insurance contracts frequently occurs in various companies, academic studies addressing the issue are limited. Most researchers focus on general aspects of the crime, without delving into the specifics.

Discussion of the prevention framework. Furthermore, most studies focus on data falsification, without specifically addressing the *modus operandi* of signature forgery by customers or agents. Therefore, there is a significant gap that legal researchers need to fill in order to formulate an effective prevention model.

METHODS

This research is a normative legal study using statutory, conceptual, and case studies. The data used consists of primary legal materials in the form of laws and regulations related to insurance and forgery, as well as secondary legal materials in the form of literature, journals, and previous research findings. The analysis was conducted qualitatively, emphasizing the synchronization between crime prevention theory and the application of positive law in Indonesia.

RESULTS AND DISCUSSION

Legal Regulations Regarding Insurance Policies in Insurance Companies in Indonesia.

The case studies described demonstrate that the practice of signature forgery in the Indonesian insurance sector is not simply an ordinary administrative violation, but rather a serious crime with far-reaching consequences. This practice not only undermines the legal relationship between customers and insurance companies but also poses significant risks to the legitimacy of policy documents, the validity of contracts, and public trust in the insurance industry as a whole. The case of PT

Manulife Indonesia serves as a concrete example of how abuse of authority by insurance agents through signature forgery can have multi-pronged consequences, placing customers in a vulnerable legal position and causing companies to suffer material and reputational losses.

These issues reflect structural weaknesses in document verification mechanisms, unclear standards for sanction enforcement, and low levels of compliance with good corporate governance principles. To understand the root causes and propose solutions, a comprehensive legal analysis is required, encompassing the interconnected criminal, civil, and administrative responsibilities necessary to maintain the rule of law.

From a legal perspective, an insurance policy serves as the primary legal instrument in the contractual relationship between the insurer and the insured, as regulated by the Commercial Code (KUHD), Law No. 40 of 2014 concerning Insurance, and OJK regulations. A signature on a policy document is not merely an administrative formality, but rather an authentic representation of a legal agreement. If a signature is forged, the validity of the contract can be questioned, and the perpetrator can be charged under Article 263 of the Criminal Code, which carries a maximum penalty of six years in prison. However, practice in the field shows that many companies still rely on manual systems that are vulnerable to manipulation, as revealed in the case of PT Manulife Indonesia, where an agent forged a customer's signature on the SPAJ form. This reflects the weak implementation of the principles of know your customer and utmost good faith, which are essentially the main pillars of insurance law.

Although criminal law provides a clear basis for prosecuting forgers, its implementation remains problematic. The overly general nature of the norms results in a lack of distinction between low-value documents and insurance policies of high strategic value. Structural barriers arise when law enforcement officials face limitations in technical evidence, cultural barriers are evident in low public awareness, and instrumental barriers are evident in the absence of specific norms explicitly governing the forgery of insurance documents.

Criminal liability in forgery cases needs to be analyzed from two dimensions: individual and corporate. At the individual level, agents who commit forgery can be charged as the main perpetrators under Article 263 of the Criminal Code. However, within the modern legal framework, insurance companies, as corporations, can also be held liable if proven negligent in supervising or creating internal systems to prevent criminal acts. This corporate liability aligns with the doctrine of vicarious liability and the increasingly emerging concept of strict liability in corporate criminal law.

Several court decisions provide concrete illustrations of the application of the law in insurance cases. Surabaya District Court Decision No. 2127/Pid.B/2021/PN Sby. The prison sentence imposed on Prudential agents, as well as the Sleman District Court Decision No. 529/Pid.Sus/2016/PN Smn, related to the PT Harta Aman Pratama case, demonstrate that the sanctions imposed still focus on individual agents without examining corporate responsibility in depth. The lack of follow-up on corporate responsibility demonstrates weaknesses in the application of the principle of corporate responsibility as a whole and creates a moral hazard condition, where companies are not encouraged to strengthen their internal oversight systems.

The role of the Financial Services Authority as a regulator has a strategic position in preventing and handling similar cases. The Financial Services Authority (OJK) has the authority to impose administrative sanctions on companies found negligent, as stipulated in Article 80 of the Insurance Law. However, the effectiveness of OJK oversight is still limited by a reliance on internal reporting and a lack of automated detection mechanisms. Many companies opt for internal resolution rather than involving law enforcement, creating a culture of impunity and diminishing the law's preventive function.

Based on a comprehensive analysis, although the existing regulatory framework is adequate from a normative perspective, the main problem lies in its implementation and the lack of specific regulations explicitly punishing the crime of insurance document falsification. Therefore, comprehensive reforms encompassing several strategic aspects are needed.

First, the establishment of a specific offense in the Insurance Law that provides stronger legal certainty and treats insurance policy forgery as a crime with a higher degree of seriousness. Second, the implementation of certified digital signatures for every policy transaction to reduce the risk of forgery of physical documents. Third, the development of an automated digital notification mechanism for customers for every change or issuance of a new policy, thereby ensuring full transparency. Fourth, increasing consumer literacy so that customers understand their rights and obligations and are able to identify suspicious practices.

Fifth, strengthening risk-based internal audits to detect potential fraud early and ensure proper implementation of standard operating procedures. Sixth, increasing the capacity of law enforcement officers in digital forensics and cyberfraud investigations to handle electronic-based fraud. Seventh, transforming the organizational culture of insurance companies toward ethics-based governance and legal compliance, by balancing sales targets with professional ethical standards. Eighth, strengthening OJK's proactive oversight with a risk-based approach and integrating real-time digital reporting systems.

Lastly, and no less important, is the implementation of multi-stakeholder collaboration between companies, regulators, law enforcement officials, and technology experts to create a law enforcement mechanism that adapts to digital innovation. This holistic approach aims to make the law not merely a repressive tool that imposes sanctions on perpetrators, but also a preventive and corrective instrument that creates real protection for consumers, strengthens the integrity of the insurance industry, and strikes a balance between procedural legal certainty and substantive protection for customers. With this comprehensive reform, it is hoped that public trust in insurance products can be restored and insurance's function as a national risk management instrument can function optimally.

Concept of Prevention Against Criminal Acts of Forgery of Signatures by Customers or Agents in Insurance Companies.

Although legal regulations in Indonesia are quite comprehensive, the practice of signature forgery in the insurance industry remains difficult to effectively address.

Weaknesses lie in suboptimal legal enforcement and minimal internal oversight within insurance companies. Law enforcement alone is not enough—a strategic approach that combines risk management, technological innovation, and institutional capacity building is required.

An effective prevention strategy must be built on a deep understanding of the company's operational systems, including policy issuance mechanisms, agent oversight procedures, and customer data verification processes. Information technology plays a central role through encrypted digital signatures, biometric verification, and artificial intelligence to detect suspicious transaction patterns. The Financial Services Authority (OJK) acts as both regulator and facilitator in building a culture of compliance, while legal and ethical education for agents and customers is crucial to preventing violations due to ignorance.

Seven Components of a Prevention Strategy;

1. Evaluation of Internal Systems and Procedures

The main vulnerability lies in the use of physical SPAJ forms, which are still filled out manually and lack verification mechanisms. Internal audits in Indonesia remain responsive, not preventative. Companies need to implement strict standard operating procedures (SOPs), regular audits based on risk prediction, and agent training that covers professional ethics and legal regulations—not just sales techniques. Whistleblowing systems must be integrated with internal audits to detect fraud early.

2. Technology Optimization

Strategic digital transformation includes certified digital signatures under the ITE Law, which have the same legal force as manual signatures. The Certificate Authority ensures the signer's identity is verified and the document's integrity is maintained. Biometric technology (fingerprints, facial recognition, retina scans) reduces reliance on physical documents. Artificial intelligence, such as convolutional neural networks, can detect fake signatures with a recall rate of up to 97.3%. Blockchain and smart contracts guarantee data transparency and immutability, enabling automated claims processing according to agreed terms.

Implementation challenges lie in infrastructure and human resource readiness, so digitalization needs to be implemented in stages, supported by national standard technical guidance from the Financial Services Authority (OJK).

3. The Role of OJK and Preventive Regulations

The Financial Services Authority (OJK) has mandated an internal control system through various OJK regulations (POJK), but supervision still tends to be reactive (post-audit). Pre-audit-based supervision utilizing behavioral analytics is far more effective in detecting fraud early and providing a deterrent effect. The public reporting system is not yet fully integrated with OJK's internal mechanisms, creating gaps in complaint resolution. A comprehensive fraud oversight roadmap encompassing digital transformation, risk-based audits, and collaboration among stakeholders is needed to create a transparent and accountable insurance ecosystem.

4. Legal and Ethical Education

Many agents are unaware that document falsification is a criminal offense punishable by up to six years in prison (Article 263 of the Criminal Code), not simply an administrative violation. Customers often submit blank documents without verification, opening up opportunities for misuse. Education strategies must be two-pronged: internal through case study-based training for agents and staff, and external through legal awareness campaigns for the public regarding their rights and obligations under policy contracts. An integrity-based evaluation and incentive system needs to be established so that compliant agents are rewarded, while violations are dealt with firmly.

5. Strengthening Sanctions and the Whistleblower System

Although the Criminal Code and POJK have regulated sanctions, their implementation is still sporadic and has not provided a deterrent effect. Companies need to establish a proportional internal sanction hierarchy and report serious violations to legal authorities. Whistleblower systems have proven effective in early fraud detection. The Financial Services Authority (OJK) should mandate their implementation, as in the banking sector, along with transparent tracking mechanisms and legal protection for whistleblowers. The combination of firm

sanctions enforcement and a credible whistleblower system is the foundation of an organizational culture that is responsive to irregularities.

6. Integrated Prevention Model

A comprehensive model must integrate five components: (a) complete digitization of administrative processes with certified digital signatures and biometric verification; (b) AI-based internal audits for real-time anomaly detection; (c) an integrated oversight system involving the OJK, industry players, and law enforcement through a collective digital platform; (d) standardization of legal and ethics training for agents with modules designed in collaboration with the OJK; (e) updates to specific POJKs governing electronic document security, whistleblower protection, and corporate criminal liability to close legal loopholes.

7. International Learning

Australia has implemented responsible governance, placing direct responsibility on financial institutions to proactively prevent fraud through integrated digital oversight. The United States and the United Kingdom have combined cybercriminal law with digital forensic technology and biometric analysis. Malaysia has integrated common law and Sharia principles, ensuring that fraud handling is based on ethical values and moral compliance. South Africa has prioritized biometric technology but is hampered by weak legal protections for whistleblowers.

In this case, the author's hypothesis is that preventing signature forgery requires a collaborative approach involving insurance companies, regulators, law enforcement officials, and the public. A combination of effective oversight, advanced technology, human resource development, and cross-stakeholder collaboration can create a safe, professional, and compliance-oriented insurance industry. International experience confirms that an effective strategy requires three key elements: clear regulations, advanced technology, and a culture of compliance across all levels of the organization.

CONCLUSION

Insurance legal regulations in Indonesia are normatively adequate through the Commercial Code (KUHD), Law No. 40 of 2014, and Financial Services Authority

(OJK) regulations, which emphasize the principle of prudence and consumer protection. However, implementation remains weak due to a lack of transparency and verification in policy issuance, weak insurance agent ethics, an imbalance between companies and consumers, and low public legal literacy. This gap between normative regulations and operational practices creates opportunities for legal violations, including forgery of signatures on insurance agreements.

Preventing signature forgery in insurance requires a comprehensive approach encompassing three aspects: regulatory through the implementation of digital signature and biometric technology, institutional through whistleblower systems and ethics training, and a culture that fosters integrity. The problem of forgery is not only caused by systemic weaknesses, but also by a crisis of integrity and an organizational culture that prioritizes sales targets. The solution is to combine technology, a robust oversight system, and a commitment to integrity values throughout the insurance business chain, rather than relying solely on technical aspects.

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