

ABSTRACT

THE FREEDOM OF CONTRACT PRINCIPLE ON LIFE INSURANCE AGREEMENT IN INDONESIA

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This study has purpose to examine the freedom of contract principle in life insurance agreement in Indonesia.

This study is constitute of normative law. Problem approach while used is statute approach with accompanying compare of consumer law. This analyst has been done with description where critically.

This study, the core to explaining that insurance agreements in practice not fulfill the freedom of contract principle. Because the insurer have the highest position above insured. The protection over policy holders (insured) is still too weak, if we examine the insurance cases. The insured will always the loser, most often the weakening of insured caused by misunderstanding of the content of contract between insured and insurer. There is still a room for lawyers discussing the validity or invalidity of an agreement caused by standardization of contract to binding or to have in to effect upon the signed parties.

It is a responsive from law community to find a just on the insured company which is disposed to place in the weakening position over the insurer which is positioning as the winner. Lawyers argue that the inclination of business actor to prepare a modeled draft of contract to be signed by his contract partner, intentionally or unintentionally has neglected or at least limited the freedom of contract of the partner to balance and negotiation points of contract which can be accepted.

Keywords: Freedom of contract principle, the protection, and standard contract.