

Conference Paper

The Role of Insurance for Protection against the Risk of Fishing Accidents

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Abstract

This research was aimed at exploring how the fishermen in Indonesia were protected considering fishermen profession is a profession that is very risky and susceptible to accidents and disasters and can result in injuries and even death. The data of this study was obtained from PT. Asuransi Jasa Indonesia in Cooperation Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia that launched the fisherman insurance in 2016. The data is analyzed using descriptive statistics and the literature study toward some related previous research. The fisherman insurance has been spread to all cities/regencies around Indonesia. The result founded that East Java has the highest number of fishermen who proposed for fisherman insurance. This kind of insurance is proved to be useful to help fishermen to claim when something bad happens. The highest number of events that caused claim is most fishermen were died naturally.

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1. Introduction

Indonesia as the largest archipelagic country which has 80% of the sea area, makes it a country with the potential of marine resources that can be developed to various sectors such as capture fishery sector, fishery sector, fishery processing sector, port services sector, exploration and exploitation Offshore energy resources, coastal forestry, trade, shipping and tourism. To develop marine resources owned by Indonesia, we need fishermen as an important component in the management of sea products, fishermen have a role to the food security of Indonesia because if the income of fish per capita increases every year then the society's nutrition will increase, not only fishery products can also provide a substantial contribution to the country's foreign exchange earnings.

Fishing activities are activities that have a high risk of accidents, realizing the importance of fishermen then the Indonesian government through the Ministry of Marine

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Affairs and Fisheries began to pay attention to the life of fishermen by establishing Law number 7 of 2016 on protection and empowerment of fishermen, fish farmers, and farmers salt. Not only that, in order to increase the empowerment of small-scale fishermen and increase the protection of fishermen, the Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia organized a program of insurance premium assistance for fishermen (BPAN) in cooperation with PT Asuransi Jasa Indonesia to provide life protection insurance in the form of fishermen insurance. Fisherman's insurance is a personal accident insurance plus from PT Asuransi Jasa Indonesia which has a guarantee of protection for the risks experienced by fishermen to be more peaceful and comfortable in conducting their business, by providing compensation guarantee in the form of accidental benefit due to fishing activity or result besides conducting fishing activities Fish in the sea. Insurance is classified as the latest insurance.

The problems identification is fisherman profession is a profession that is very risky and susceptible to accidents and disasters and can result in injuries and even death. In addition there is no single benefit that can bear the risk, so that in the event of an accident occurs automatically affected by fisher folk families because the breadwinner can no longer catch fish. Weather and natural conditions can also result in fishing gear, whether it be a boat, boat, or nets are damaged so that they can no longer catch fish. The condition is one of the factors that cause fishermen and their families to lose their livelihood, Out of the shackles of poverty.

Because of that elaborated background of problems, the writes want to explore about this new and useful insurance to help Indonesia fishermen due to Fishermen's life and fish farmers are generally still in the patterns of poverty and economic uncertainty, because of the difficulties of life faced by fishermen and cultivators as well as their families (Kusnadi, 2000; Pretty et al., 2003; Widodo, 2011). Poverty of fishermen because the income is less than the expenditure so it is not sufficient for family life.

2. Literature Reviews

The definitions of fishermen are often put forward by experts, such as Panayotou, Berkes, Satria, Ostrom and Schlager, and Kusnadi. Panayotou (1985) grouped fishermen into four main groups, namely subsistence, indigenous, commercial and recreation. Meanwhile, commercial fishermen are grouped into two groups, namely artisanal fishermen and industrial fishermen.

According to various laws and literature, the fishermen are defined as individual Indonesian citizens whose livelihoods are fishing in their livelihood spaces, including

TABLE 1: Classification of fishermen according to some experts.

No.	Opinions from	Categorization	Fishermen Grouping
1	Kusnadi	Mastery of production tools and fishing gear	- Fisherman Owners - Fisherman Laborers
		Venture capital investment	- Fishermen with large capital - Fishermen with little capital
		Level of equipment technology	- Modern fisherman - Traditional fisherman
2	Pollnac (1998)	Response to anticipate high risk and uncertainty	- Fishermen with large capital - Fishermen with little capital
3	Widodo (2008)	Reach of fishing fleets and fishing sites	- Coastal Fisherman - Offshore Fisherman - Ocean Fisherman

Source: Satria et al. (2012).

Small Fishermen, Traditional Fishermen, Workers’ Fishermen, and Fisherman Owners. The existence of fisherman workers and fishermen owners of the adopted Law No. 16 of 1964 on Fishery Sharing, while traditional fishermen are found in Law No. 23 of 2014 on Regional Government.

The problem of fishermen is very complex, ranging from problems to go to sea, while fishing, and after the sea. In fact, fishing is a high-risk job, especially when conducting fishing operations at sea. Risks often faced by fishermen are the destruction or loss of fishing facilities, fishing operations that are not optimal, the threat of fishermen’s safety where fishermen often experience events in the sea, such as sinking vessels, drowning fishermen, missing, and so forth. Therefore, the fisherman’s insurance is also an indirect factor which is important in influencing the survival rate of the fisherman.

Meanwhile, sea level rise has a wide impact on coastal aquaculture activities. Rising sea levels inundated coastal areas that would destroy fish ponds in Java, Kalimantan and Sulawesi (UNDP, 2007). As a result the cultivator will experience a loss that is not small and lose the source of his life. On the basis of this, it is necessary to guarantee the risk of fishing and cultivation due to natural disasters, fish disease outbreaks, loss or destruction of fishing facilities, impacts of climate change, and other types of risks regulated by the Minister. This risk guarantee through the provision of fishery insurance for fishermen and fish farmers and life insurance for fishermen.

3. Materials and Methods

Data related to fishermen obtained from PT Asuransi Jasindo Indonesia. Data was going to be explored and analyzed for getting the further information. The method of study conducted in this research is descriptive statistics and literature study about previous research.

4. Result and Analysis

Fishermen Insurance products are present in order to support the Insurance Premium Insurance program for Fishermen (BPAN), which is a program of the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia. And is one of the Personal Accident Insurance products issued by Asuransi Jasa Indonesia for support to government programs. For that Fisherman Insurance product is only for fishermen who have registered and have fishing cards issued by the Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia. The existence of Fishermen Insurance products is expected to assist the government in improving the welfare and protect the 'Little Fishermen' and 'Traditional Fishermen' from sharing the type of risk of accidents occurring due to fishing activities or consequences other than fishing activities in the sea. So that fishermen can be safe and comfortable in doing their business.

Fishermen Insurance products exist because the Ministry of Marine Affairs and Fisheries has a program of Assistance Participant Insurance for Fishermen as well as a manifestation of the Government of the Republic of Indonesia concerning the welfare of fishermen life. Therefore, the fishermen do not have to pay the premium Because 100% has been in charge by the Ministry of Marine Affairs and Fisheries Rp 175.000,00 per fisherman. But only fishermen who meet the criteria as Insurance beneficiary participants for Fishermen who can receive their rights. The indirect premium payment for the number of fishermen to be covered, but the premium payment gradually in accordance with the agreement between the PT Asuransi Jasa Indonesia with the Ministry of Maritime Affairs and Fisheries after determining how many fishermen who have been validated from October to December 2016.

Compensation of the amount of money given to the fisherman in the event of an accident or loss of life while performing daily activities. The amount of compensation is as follows:

The process to obtain the Fishermen Insurance as follows:

TABLE 2: The value of coverage.

Due to marine accidents	Not due to marine accidents
100% Death Price Insured or Rp. 200,000,000.00	80% Death Price Insured or Rp. 160,000,000.00
Fixed Defect Maximum 50% Sum Insured or maximum Rp. 100,000,000.00 (as per benefit table)	Fixed Defect Maximum 50% Sum Insured or maximum Rp. 100,000,000.00 (as per benefit table)
Cost of Treatment/Treatment Maximum 10% Sum Insured or maximum Rp. 20,000,000.00 (as per bill)	Cost of Treatment/Treatment Maximum 10% Sum Insured or maximum Rp. 20,000,000.00 (as per bill)

1. The fisherman carries the documents of the Membership Requirements to register to the local Maritime and Fishery Office of the Regency/City.
2. Local Maritime and Fishery Office of Regency/City send registration data of participants who have registered to the Ministry of Marine Affairs and Fisheries.
3. Data received by the Ministry of Marine Affairs and Fisheries shall be sent to PT Asuransi Jasa Indonesia for validation.
4. PT Asuransi Jasa Indonesia has validated subsequently validated data sent back to the Ministry of Marine Affairs and Fisheries to do the agreement amount that has been validated.
5. After agreeing, PT Asuransi Jasa Indonesia is ready to print the Insurance Card of Fishermen.

Socialization conducted by the Ministry of Marine Affairs and Fisheries through the Office of Marine and Fisheries District/City local assisted by the PT Asuransi Jasa Indonesia through branch offices representative region. Before the launch of Insurance Product Fishermen Socialization has been done by directly visiting fishermen in each district/city to encourage the fishermen to be aware of the importance of insurance.

In this socialization process the fishermen would be allowed to ask if there is anything less understood about the Fishermen Insurance. The socialization process also discusses the brief explanation about the products of Fishermen Insurance, why the need for fishermen’s insurance, explains the criteria of fishermen beneficiaries of Insurance Premiums for Fishermen, what benefits will be obtained with the insurance of fishermen, what risks are guaranteed, how the flow of registration and filing His claim. Not only the socialization of the Ministry of Marine Affairs and Fisheries and PT Asuransi Jasa Indonesia also open a direct registration for fishermen who are ready to register at the time of socialization.

After all data entered validated and can be known fishermen who are entitled to get the insurance card fishermen as much as 409,497 people in all regions of Indonesia with the percentage of target achievement toward the validation of the proposed Premium Assistance for Fishermen Insurance by 68%, and total invalidation as much as 130,981 fishermen. Distribution of Fishermen Insurance Card is done at the end of the registration that is mid-December 2016. all fishermen who have been validated as beneficiary of insurance premium of fisherman in year 2016 will not be able to follow the program of insurance premium of fisherman in the next year. To know in detail about the progress of Fishermen Insurance in various provinces in Indonesia, the authors will present the data as follows:

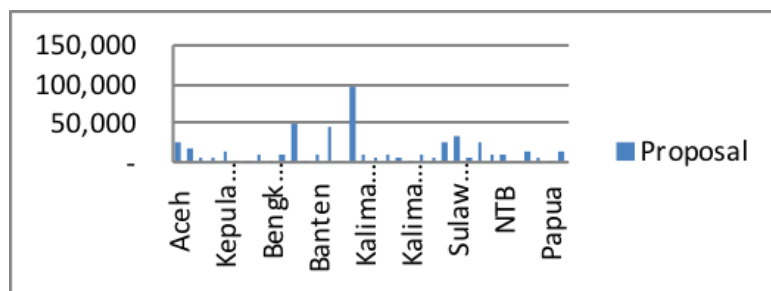


Figure 1: Proposals of fisherman insurance in few provinces in Indonesia.

The province with the highest proposals of fisherman insurance is East Java with the nominal target 83.220. The percentage between validated total of insurance proposals and company target as follows

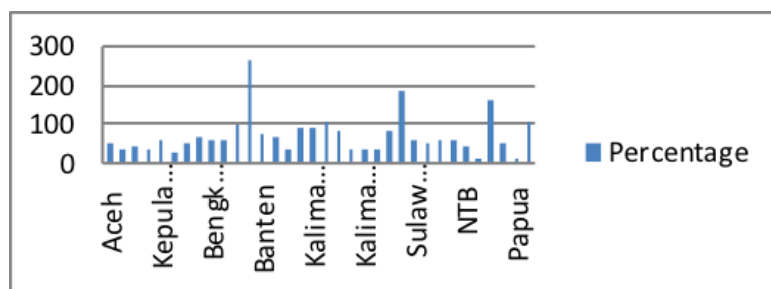


Figure 2: Percentage between validated proposals of Insurance and company target in Few Provinces in Indonesia.

The province with the highest proposals of fisherman insurance is East Java with the nominal target 83.220.

The total fishermen whose data is not validated as many as 130,981 people are usually caused by 3 kinds of problems are problems with data input and underwriting also age that has exceeded the membership requirement that is > 65 years when registering. The distribution process of Fisherman Insurance Card as follows: Jasindo Center has validated fishermen who meet the criteria as Insurance Beneficiaries for

Fishermen who have fulfilled the membership requirements and printed the Insurance Card of Fishermen. Then the Fisherman Insurance card is sent to the local Jasindo Branch in order to easily coordinate the distribution of Insurance Fisherman’s card then Jasindo Local Branch then send the Insurance Fishermen card at the Department of Marine and Fisheries District/City local so that fishermen can easily obtain Insurance Fishermen card. The last, the local Maritime and Fishery Office of the Regency/City distributes the Insurance Card of Fishermen symbolically to the local fishermen. Then the fishermen can take the Fisherman Insurance card at the local Maritime and Fishery Service of the Regency/City.

During the validation period of Fishermen Insurance starting from October to December 2016 A total of 409,497 fishermen have been awarded as beneficiaries of insurance premium for a one year insurance period. Until March 2017 the number of claims amounted to 338 events.

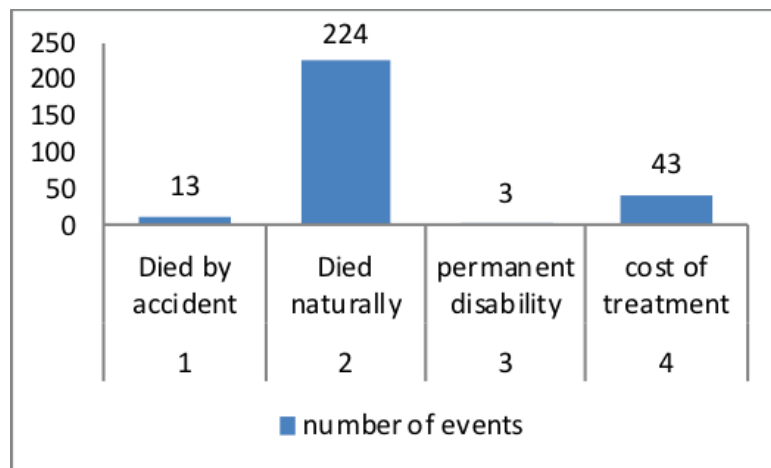


Figure 3: Summary of fishermen insurance claims.

From Figure 3. The highest number of events is caused by the fishermen were died naturally with the number of claims is Rp.35.680.000.000,00. Otherwise, permanent disability has the lowest number of events with the number of claims is Rp.200.000.000,00

5. Conclusion and Recommendation

The result founded that East Java has the highest number of fisherman who proposed for fisherman insurance. This kind of insurance is proved to be useful to help fisherman to claim when something bad happens. The highest number of events that caused claim is most fishermen were died naturally. These things illustrate that fishermen

need protection and empowerment so that their standard of living can be improved and prosperous. This study is recommending to the next writer to explore more of another company that provide fisherman insurance in order to find policy to reduce poverty in fisherman environment.

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