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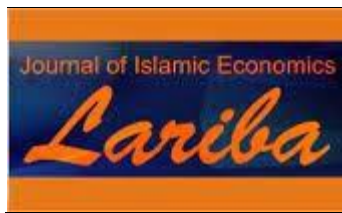
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The Application of Al-Wakalah bil Ujrah Contract on Unit Link Insurance According to DSN-MUI Fatwa No. 52 2006: A Case Study of PRULink Syariah Generasi Baru

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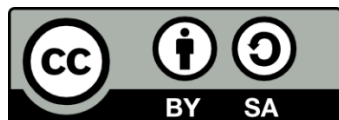
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Abstract

Insurance makes the fund prepared accurately when problems or disasters occur without predictions. Also, in sharia insurance, there is *al-wakalah bil ujrah* which is used to give authority to manage the premium collected funds so that they can be useful and develop. This study aims to determine how the application of the *al-wakalah bil ujrah* contract on PRULink Syariah Generasi Baru at PT Prudential Indonesia. Then, to find out the level of validity according to the Fatwa DSN-MUI No: 52/DSN-MUI/III/2006 concerning *al-Wakalah bil Ujrah* Contract on Sharia Insurance and Reinsurance. This study uses a qualitative method in field research and a descriptive analysis approach. Data collection was carried out through field observations, interviews with related sources, and documentation which was analyzed using the measurement tool of DSN-MUI Fatwa No: 52/DSN-MUI/III/2006. The results shows that Prudential Syariah Yogyakarta Branch sufficiently met the criteria set by the DSN-MUI Fatwa No: 52/DSN-MUI/III/2006 concerning *al-wakalah bil ujrah* Contract on Sharia Insurance and Reinsurance. All provisions are written and explained at the beginning of the contract, although not all mechanisms are included in the company standard, such as the accuracy of the allocation of investment funds that distributed to the stock market, the criteria for insurance participants who do not meet the requirements surplus sharing and the lack of transparency in the management of tabarru' funds.

Keywords: Sharia Insurance; al-Wakalah bil Ujrah; Fatwa DSN-MUI.

INTRODUCTION

One solution that can be done in overcoming the problem of calamity or disasters against humans is using the concept of insurance. There are various types of insurance or assurance, such as life insurance, accident insurance, fire insurance, education insurance, and even insurance related to agriculture and the implementation of the pilgrimage (*hajj*). Starting from humans who need protection against possible risks to themselves, property, or other interests. So it can be understood that insurance is an effort to prepare and reduce possible losses that can be experienced (Rahman, 1996, p. 29).

As for sharia insurance in Indonesia itself still needs much improvement. Unlimited access to conventional insurance in Muslim-majority countries needs to be questioned, considering the sharia provisions of the prohibited elements (*gharar*, *maysir*, and *riba*) in conventional insurance. With the development of the Muslim community in the world, sharia insurance is expected to fulfill the wishes of the Muslim community who want to have insurance in a halal way without any doubts. In fact, from 2007-2012, sharia insurance continued to increase by 18%. Sharia insurance in Indonesia, Malaysia, Brunei, and Singapore excels above the others, with 22% of the market share and a contribution of up to US \$ 18.3 million in 2013 (El-Tahir, 2014, p. 230).

Investments in its application in sharia insurance can be made through a *tijarah* contract or a contract for commercial purposes. *Wakalah bil ujah* is one of the *tijarah* contracts implemented by sharia insurance in Indonesia. This contract is considered as the most appropriate concept in its application to insurance activities compared to forcing a *mudharabah* contract (Sula, 2004, p. 352).

The Indonesian Ulama Council which is obliged to issue fatwa's related to problems in Indonesia has considered that in the Fatwa DSN No: 10/DSN-MUI/XI/2000 concerning *Wakalah* and Fatwa DSN No: 21/DSN-MUI/X/2001 regarding the General Guidelines for Sharia Insurance are considered to be too general, so that another fatwa is needed which discusses in more detail the *wakalah bil ujah* contract for sharia insurance (Ismanto, 2009, p. 273). Until the Fatwa DSN No: 52/DSN-MUI/III/2006 regarding the *Wakalah bil Ujah* contract on Sharia Insurance and Sharia Reinsurance which discusses more deeply and specifically. DSN-MUI is an institution that carries out the duties of the MUI in establishing fatwas and supervising their implementation in the context of developing Islamic finance, business, and economics in Indonesia (Sup, 2022, p. 26).

One of insurance company that offers sharia investment products with a *wakalah bil ujah* contract is the Prudential Sharia Company. Prudential Sharia Company has been established on 17 September 2007 in Indonesia. This company offers several benefits to its customers. One of the offering is Investment Allocation. Where customers contribute to *tabarru'* fund, investment fund allocations, and payment of *ujrah* or wages.

However, concerning the implementation of the *wakalah bil ujah* contract at PRULink Syariah Generasi Baru, several problems often arise that make the implementation of *wakalah bil ujah* less than optimal. For example, participants do not understand well the meaning of the *wakalah bil ujah* contract, most of the insured persons think that investing is the same as saving, participants pay premiums (contributions) irregularly so that the investment returns obtained

are not optimal due to participants' lack of understanding. The investment return that is less than the maximum will gradually decrease along with the costs that must be spent every year (AturHidup, 2022).

Research related to sharia insurance continues to experience development from time to time. Several previous studies have analyzed Islamic insurance in the context of business, management and company performance (Sari & Rahma, 2022; Sugianto et al. 2022; Anggraini & Rahma, 2022). The analysis is related to sharia insurance products specifically (Ghozali et al. 2021). Therefore this study seeks to fill the existing analysis gap by qualitatively discussing the New Generation of PRUlink Syariah products.

LITERATURE REVIEW

Insurance comes from the Dutch language "assurantie" which in Dutch law is called "verzekering" which means coverage. In Italian, insurance is called "insurensi" which means "guarantee". As in English, assurance has the same meaning. Guarantee can be interpreted as the provision of protection, calm, security, and freedom from fear (Rodoni, 2015, p. 21). As in Arabic, insurance is called "at-ta'min", the insurer is called "mu'ammin", while the insured is called "mu'amman lahu" or "mus-ta'min". At-ta'min means calm, security, and freedom from fear (Sula, 2004, p. 28).

The National Sharia Council-Indonesian Ulama Council in Fatwa DSN No: 21/DSN-MUI/X/2001 regarding General Guidelines for Sharia Insurance stipulates that sharia insurance (ta'min, takaful, tadhmun) is an effort to protect and help each other between several people/parties through investments in the form of assets and/or tabar-ru' which provide a pattern of return to face certain risks through an agreement (engagement) that is under sharia (DSN-MUI, 2001).

In general, the definition of insurance according to sharia is a contract that requires the insurance company (mu'ammin) to give its customer/client (mu'amman) several assets as a consequence of the contract, whether in the form of a salary, repayment or goods compensation or other forms in the event of a disaster or accident or danger that has been written in the transaction contract as compensation for the premium money paid regularly and periodically or in cash from the client/customer (mu'amman) to the insurance company (mu'ammin) during his life (Ismanto, 2009, p. 6).

The concept of sharia insurance is not new, because basically, it has been around since the time of the Prophet Muhammad Saw. was still alive. This has been the custom of Arab tribes since ancient times that if one of the members is killed by a member of another tribes, the victim's heir will be paid a sum of blood money (diyat) as compensation by the killer's closest siblings. The killer's closest siblings, later called by aqilah, had to pay for the blood. Aqilah in this old Arab tribal era which later became the current concept of assurance (Sula, 2004, pp. 36-37).

The emergence of sharia insurance in the modern Islamic world began because of the assumption that conventional insurance contains elements of gharar, maysir, and riba. Gharar element in conventional insurance is uncertainty about the rights of policyholders and the source of funds obtained to cover claims.

The desire to avoid conventional insurance was proven by the establishment of Islamic Insurance Co. Ltd in Sudan and Saudi Arabia in 1979. In 1983 in Geneva, Dar al-mal al-Islamiy, Takaful Islam was established in Luxemburg. Takaful Islam Ba-hamas in the Bahamas, and al-Takaful al-Islami in Bahrain. Malaysia as a neighboring country to Indonesia has established Syarikat Takaful Sendirian Berhad in 1984.

Basically, in doing mu'amalah activities there is a principle which states that everything is allowed to be done, as long as there is no prohibition for it/al-ashlu fi-l-mu'amallah al-ibahah, hatta yadulla dalilun 'ala tahrimihi. Allah Swt. said in surah al-Hashr verse 18, "O you who have believed, fear Allah. And let every soul look to what it has put forth for tomorrow-and fear Allah. Indeed, Allah is acquainted with what you do" (Departemen Agama RI, 2008, p. 545). 'Aqdu in terms of language is taken from Arabic "asyaddu" and "arrabtu" which means continuity and attachment (Mukarrom, 1990, p. 49). The principle of willingness or the principle of consensual between the parties conducting transaction activities is fundamental. In Islam, this principle is known as the tharadin principle in mu'amalah.

Research related to sharia insurance continues to experience development from time to time. Several previous studies have analyzed Islamic insurance in the context of business, management and company performance (Sari & Rahma, 2022; Sugianto et al. 2022; Anggraini & Rahma, 2022). The analysis is related to sharia insurance products specifically (Ghozali et al. 2021). Therefore this study seeks to fill the existing analysis gap by qualitatively discussing the New Generation of PRUlink Syariah products

Wakalah or wikalah is etymologically defined as delegation, submission, or mandate. In Arabic, this is called at-tafwidz. It can also be interpreted by the sentence al-hifzu, can be interpreted that wakalah is the delegation, delegation of authority, or power from the first party to the second party to carry out something on behalf of the first party. In this contract, the second party only carries out something to the extent of the authority or power mandated by the first party. However, if the representative party has been fully exercised by the second party, then all risks and responsibilities for the order given are fully the responsibility of the first party (Sula, 2004, p. 351).

The National Sharia Board of Indonesian Ulama Council (DSN-MUI) has issued a fatwa regarding wakalah in Fatwa DSN No: 10/DSN-MUI/IV/2000. The fatwa states that the statement of ijab and qabul must be stated by the parties to show their will to enter into a contract ('aqd). Also, wakalah with a wage/ujrah is binding and cannot be canceled unilaterally (DSN-MUI, 2000). Legal basis of this contract is written in surah al-Ma'idah verse 2, "And cooperate in righteousness and piety, but do not cooperate in sin" (Departemen Agama RI, 2008, p. 106).

Apart from the Qur'an which is the main guideline in implementing a law, the Had-iths conveyed by the Prophet Muhammad Saw. also serve as further guidelines in determining the law of a case. "Ali ibn Abdullah narrated to us, the Sufyan narrated to us, Syabib ibn Gharqadah narrated to us, he said: I heard the people narrate about 'Urwah, that the Prophet Saw. gave him one dinar to buy a goat for him, then with that money, he bought two goats, then he sold one for one dinar. He returned with a dinar and a goat. The Prophet Saw. pray for him with blessings in his buying and selling. If 'Urwah bought land, he would have been lucky" (Narrated by al-Bukhari) (Al-Ja'fi, 2014, p. 337).

In the Civil Code (Burgelijk Wetboek) it is written that the granting of power is an agreement whereby a person gives ¹⁶ power to another person, who receives it, to carry out an affair on his behalf. The things that become conditions for the validity of the agreement are the existence of an agreement between the parties, the ability to perform an engagement, a certain thing, and a lawful cause (Subekti and Tjitrosudibo, 2014, pp. 457–459).

Based on the Fatwa DSN-MUI No: 10/DSN-MUI/IV/2000 regarding Wakalah, it can be seen that the wakalah bil ujah contract must fulfill several pillars, namely: (1) The existence of al-aqidain (subject of the engagement); (2) Mahallul 'aqd (object of engagement); (3) Ijab- qabul (sighaat al-aqd) (DSN-MUI, 2000).

In a contract, several things make the contract end. The things that make the wakalah bil ujah contract end include (Sulthan, 2002, p. 104): (1) Muwakkil (who gives representative party/represented) revokes his/her wakalah to the wakil (who gets representative party); (2) Wakil resigned from the wakalah bil ujah contract; (3) Muwakkil dies with the agreement of both if the muwakkil dies then the wakalah contract will end when the muwakkil's death and the wakil has found out; (4) The expiration of the contract/'aqdu; (5) The wakalah goal has been resolved; (6) If the wakalah object does not belong to muwakkil anymore; (8) If one of the parties acting is insane (Zuhailiy, 1985, pp. 124–129).

Wisdom of al-wakalah bil ujah contract, Islam is a religion that is eternal to the end. Its benefit is reserved for all mankind in all times and places. Islam is completed and completing in all aspects with sharia law, the understanding needed not only for diniyyah but also dunyawiyah (Zuhailiy, 1985, p. 93).

Wakil is needed to help a person who cannot fulfill his interests. Allah Swt. created rich and poor people, slave and master, strong and weak people so that they can help each other and contribute to one another.

The implementation of ¹ sharia insurance is based on the principle of mutual responsibility and helping one participant with another. Where the insurance company is given the mandate by the participants to manage premium funds which are then developed lawfully, and ²⁹ provide compensation to participants affected by the disaster in accordance with the contents of the agreement deed.

The position and provisions of the parties in the wakalah bil ujah contract on sharia insurance are (Purnama, 2012, p. 76): (1) The insurance company acts as a wakil (who get the power) to carry out activities in the management of funds which are the object of wakalah bil ujah in sharia insurance; (2) While muwakkil (representative party) is played by insured persons in saving products or commercial accounts; (3) Participants as an agency/group in tabarru' account also act as muwakkil; (4) Wakil may not transfer representative party to other parties except with muwakkil permission; (5) 'Aqdu wakalah in sharia insurance is in the form of trustee or yad dhama-nah where if there is a loss of investment the wakil does not bear the risk by reducing ujah he receives unless it is caused by carelessness or default on the part of the wakil.

If a claim occurs, the company does not issue funds for claims from the company's cash but from participant and tabarru' savings funds. Likewise, if there is an under-writing surplus and the investment profit will be distributed to participants and insurance companies according to the ratio agreed at the beginning.

To maintain and monitor the validity of the wakalah bil ujah contract on sharia insurance, the National Sharia Board of Indonesian Ulama Council explains in more detail the conditions that must be fulfilled in the contract in Fatwa DSN-MUI No: 52/DSN-MUI/III/2006 regarding the Contract Wakalah bil Ujah on Sharia Insurance and Sharia Reinsurance.

The National Sharia Board of Indonesian Ulama Council (DSN-MUI) decides the provisions of the wakalah bil ujah contract on sharia insurance and sharia reinsurance in Fatwa No: 52/DSN-MUI/III/2006. The contents in it are (DSN-MUI, 2006): (1) The general provisions which state that this fatwa discusses insurance which includes life insurance, general insurance, and sharia reinsurance. Meanwhile, participants are insured persons or policyholders or insurance companies in sharia re-insurance; (2) The legal provisions stipulating that the contract may be made between the insurance company and the participant. It is meant by the wakalah bil ujah contract is the granting of authority from the participant to the insurance company to manage participant funds in exchange of ujah or wages; (3) The provisions of the contract where the contract is used is the wakalah bil ujah contract with the object of the contract, among others, administrative activities, fund management, claim payment, underwriting, risk portfolio management, marketing, and investment; (4) Discussing the position and provisions of the parties in the wakalah bil ujah contract where the company acts as a wakil and participant as an individual in saving and tabarru' products acting as muwakkil to manage funds; (5) Regarding investment where the insurance company as the trustee is obliged to invest the funds collected, and the investment, must be made based on sharia; (6) Regarding the closing provisions, in which if one of the parties does not fulfill its obligations or if there is a dispute between the parties, the settlement can be through the Sharia Arbitration Board if no agreement is reached through deliberation.

RESEARCH METHODS

The author used a type of qualitative field research, using descriptive evaluative thinking, which is to create a factual, accurate picture of the facts and the relationship between the phenomena being studied systematically and tries to explain the collected data, then provides an assessment of the thing under study (Sugiyono, 2017, p. 213). Method of collecting data is interview method and documentation that have a direct or indirect connection with the object under study. Documents can be in the form of writings, pictures, brochures, and monumental works of a person. The qualitative research design was used in this study, with a descriptive analysis method in analyzing the data.

The data obtained is then processed by editing and organizing the data, then analyzed by the induction method. The analysis process is carried out continuously from beginning to end. The analysis process in question includes data interpretation, language translation, word editing, and compiling it in a logical systematic way, so that the resulting description can become a complete concept building that is easy to understand.

RESULTS AND DISCUSSION

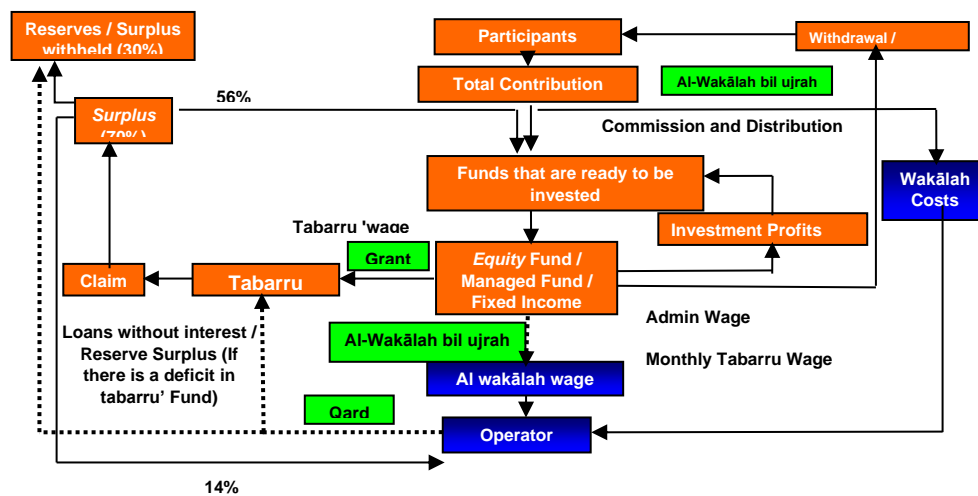
Seeing the needs of the Indonesian people who are predominantly Muslim, Prudential launched a *sharia* product, namely Prudential *sharia* which was shortened to PRUSyariah in 2007. The contract in Prudential *sharia* is different from the previous Prudential. The principles applied are in accordance with the concept of Islamic law, so that they are based on what is permitted according to the Qur'an and *Sunnah*. To oversee the financial turnaround process so that it remains within the corridor of *sharia*, a *Sharia* Supervisory Board is elected within its organization.

As of December 31, 2019, it was noted that Prudential Indonesia has a head office located in Jakarta with six marketing offices in Medan, Surabaya, Bandung, Denpasar, Batam, and Semarang. Now, Prudential Indonesia has served around 2 million customers through more than 260,000 licensed marketers in 383 Independent Marketing Offices (KPM) spread across the archipelago (Prudential, 2022).

Based on *PRULink Syariah Generasi Baru Brochure* (2018), one of the newest and superior product of Prudential *sharia* is PRULink Syariah Generasi Baru that established on 2018. PRULink Syariah Generasi Baru also helps to plan and start a legacy with an affordable solution from the start. The benefits of PRULink Syariah Generasi Baru products are the benefits that are obtained when the customer die and when it is due. The death benefit is that if the insured participant dies, 100% insurance compensation will be paid and the cash value depends on the performance of the investment funds chosen by the policyholder and cannot be separated from the investment risk. The benefits are due, that is, if the participant who is insured lives up to the age of 99 years, 100% insurance compensation will be paid and the cash value if any. So as long as the insured person meets general criteria, such as the policyholder is an individual and the insured participant must have an insurable interest relationship with the policyholder, the policyholder is at least 21 years old or 18 years old if married.

Based on personal interview with Jati Sasongko (2021), Director of PRUAmazing Team Agent Prudential Sharia Yogyakarta, mechanism and procedures for PRULink Syariah Generasi Baru at Prudential *sharia* Yogyakarta branch decided into several parties. The most basic thing about insurance is a policy. An insurance policy is a form of contract of agreement between the insurance company and the customer or the insured. Policy overview of PRULink Syariah Generasi Baru, where customers have the agreement to channel a certain amount of money in the form of *tabarru'* contract with a term of 20 years. Then, customers choose the form of coverage they want in the form of life coverage, and it can also be in optional forms such as critical illness and health. The general requirements that must be fulfilled by the customer when registering as a policy participant are the customer is in good health and financially sufficient, as evidenced by reports of activities or work carried out by the customer, and does not have a history of past illness. The opening procedure for PRULink Syariah Generasi Baru participants is to start with filling out the SPAJ or application letter in the form of a form. If all the requirements have been met, then, the policyholder is asked to sign a signature as proof of approval of all the conditions written on the SPAJ.

In Prulink *sharia* new generation, *ujrah* that will be received by the company for the efforts of company provides in managing customer funds is IDR. 37,500.00 per quarter or according to the customer's contract. This amount has been submitted at the beginning of the contract so that the customer knows that the money is being taken by the company for *ujrah*. Collection of wages or *ujrah* by the company is carried out at the beginning of receipt of premiums paid each month or year according to the customer's own choice.



Source: Observation data (2022).

Figure 1. Unit Link Structure in PRULink Syariah

In a process of circulation of funds in insurance, it will find things that are often the goal of insurance by the public, namely claims. Claim, which means the demand that the policyholder has for the service or promise provided by the insurer at the time the insurance contract, is made. If a claim arises, the insurance company as the insurer must carry out its obligation to pay the claim as stated in the policy (Prudential, 2014, p. 140).

¹² The National *Sharia* Board of Indonesian *Ulama* Council is an institution that fulfills the needs of the Indonesian Muslim community in contemporary *fiqh*. The DSN-MUI issues *fatwa*'s which have gone through the stage of *ijtihad* and lengthy deliberations regarding the form of a case. DSN-MUI issued a *fatwa*'s regarding *sharia* insurance institutions in Indonesia, namely ¹⁵ *Fatwa* DSN-MUI No: 21/DSN-MUI/X/2001 regarding the General Guidelines for *Sharia* Insurance and *Fatwa* DSN-MUI No: 52/DSN-MUI/III/2006 regarding ⁴ *al-Wakalah bil Ujah* Contract on *Sharia* Insurance and *Sharia* Reinsurance. These *fatwa*'s later become the guidelines and basis for ¹ *sharia* insurance activities in Indonesia.

Prudential *Sharia* Indonesia which has been held since 2007 must always comply ³⁴ with the principles of Islamic *sharia* and comply with all *fatwa*'s that have been stipulated by The National *Sharia* Board of Indonesian *Ulama* Council. ¹ *Fatwa* DSN-MUI No: 52/DSN-MUI/III/2006 regarding *al-Wakalah bil Ujah* Contract on *Sharia* Insurance and *Sharia* Reinsurance Part One (1) regarding General Provisions, it is explained that the insurance referred to in this *fatwa* is life insurance, loss insurance, and *sharia* reinsurance. So, Prudential *Sharia* Yogyakarta branch should fulfill everything stated in the *fatwa*, because the products provided by Prudential *Sharia* Yogyakarta branch are life insurance and loss insurance. PRULink Syariah Generasi Baru is one of the life insurance products it offers.

In the PRULink Syariah Generasi Baru life insurance product, *al-wakalah bil ujah* contract is applied where the policyholder authorizes Prudential *Sharia* Yogyakarta branch to manage participant funds in exchange for giving *ujrah*. As an insurance company that applies insurance products that contain *tabarru'* elements (non-saving), Prudential *Sharia* Yogyakarta branch is allowed to used *al-wakalah bil ujah* contract. This is by ² the *Fatwa* DSN-MUI No: 52/DSN-MUI/III/2006, Part Two (2) regarding the Legal Provisions referred to in this contract.

Based on the research results, the contract used by PRULink Syariah Generasi Baru product is *al-wakalah bil ujarah* contract. The object of the implementation of this contract is due to administrative activities, fund management, claim payments, underwriting, risk portfolio management, marketing, and investment. Prudential Sharia Yogyakarta branch as an insurance company implements all of the above activities. So it can be understood that *ujrah* given by policyholders intended to meet the needs of these activities.

Based on personal interview with Novi (2021), Admin Staff of PRUAmazing Team Agent Prudential Sharia Yogyakarta, regarding Part Three (3) in Fatwa DSN-MUI No: 52/DSN-MUI/III/2006. Prospective customers who will register at Prudential Sharia Yogyakarta branch will be directed by a marketing agent to fill out SPAJ (*Surat Permohonan Asuransi Jiwa*) in the PRUForce application. PRUForce is held by an admin or agent who already has an account to register new customers. Based on personal interview with Bagus (2021), Customer of Prudential Sharia Yogyakarta, it is known that SPAJ also contains all kinds of terms and conditions that both parties need to know and agree on. Also, Prudential *sharia* transparently explains the allocation of funds and policy overview which can be seen in general in the official brochure of PRULink Syariah Generasi Baru or other insurance products.

Table 1. Suitability Between Implementation *Wakalah bil Ujarah* in PRULink Syariah Generasi Baru and Fatwa DSN-MUI No: 52/DSN-MUI/III/2006

| Object of <i>Wakalah bil Ujarah</i> Contract | Implementation in PRULink Syariah Generasi Baru | Suitability According Fatwa DSN-MUI No: 52/DSN-MUI/III/2006 |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Administrative Activities | Insured person pays the agreed contribution while insurance company manages the premium with contribution payment frequency | It has fulfilled the requirement of the <i>fatwa</i> |
| Fund Management | Total contribution will be distributed according to the agreement, partly for investment (PRULink Syariah Investment Fund Options Table) and <i>tabarru'</i> (the contribution is 50%) | It has fulfilled the requirement of the <i>fatwa</i> as the insurer and insured person have done in advance agreement |
| Claim Payment | Claim payments took from <i>tabarru'</i> fund | The insurer need to provide a transparence report that they took from <i>tabarru'</i> fund |
| Underwriting | Will be distributed to participants who meet requirements, with 30% is deposited into <i>tabarru'</i> and remaining 70% will be distributed 56% to | The insurer is required to provide the detail requirement about the underwriting distribution |

| Object of <i>Wakalah bil Ujah</i> Contract | Implementation in PRUlink Syariah Generasi Baru | Suitability According Fatwa DSN-MUI No: 52/DSN-MUI/III/2006 |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| | participants and 14% to the company | |
| Risk Portfolio Management | The company has responsibilities in managing the risk portfolio in <i>yad amanah</i> concept with 50% of the insurance cost | The insurer has to make sure for managing the risk as not all the problems occurred can be overcome |
| Marketing | There are KPM that centralized in Central Prudential, Jakarta and training before being agent of marketing | It has fulfilled the requirement of the <i>fatwa</i> throughout the agent were qualified |
| Investment | The funds channeled for investment activities are then invested through the purchase of units desired by the customer, according to the customer's profile and desires. | The insurer has to make sure that the investment procedure are in accordance with <i>sharia</i> law |

Source: Observation data (2022).

Based on personal interview with Wicaksono (2021), Ex-Customer of Prudential Sharia Yogyakarta, Prudential *Sharia* Yogyakarta branch acts as the *wakil* (authorized/represented) to manage the funds provided by the policyholder. Policyholders act as *al-muwakkil* who provide power to manage funds. Based on personal interview with Jati Sasongko (2021), Director of PRUAmazing Team Agent Prudential Sharia Yogyakarta, according to the findings, Prudential *Sharia* Yogyakarta branch will not distribute funds or transfer power over the management of funds except with the *al-muwakkil* permit. This is evidenced by the socialization of distribution of customer funds by marketing agents. For example, customers at Prudential *Sharia* Yogyakarta branch will be directed by a marketing agent to choose a form of investment that suits the customer's character. Investments that seek security or are more profit-seeking. By Part Four (4) of the Fatwa DSN-MUI No: 52/DSN-MUI/III/2006, Prudential *Sharia* Yogyakarta branch does not receive a share of the customer's investment, but only takes the wages that have been agreed at the beginning.

Based on personal interview with Jati Sasongko (2021), Director of PRUAmazing Team Agent Prudential Sharia Yogyakarta, as previously explained, Prudential *Sharia* Yogyakarta branch implements the *tijari* (commercial) contract and a *tabarru'* (non-commercial) contract. Customers get profits from investment returns from premium funds deposited by customers. The funds are channeled in the form of *sharia* investments that are listed in the Jakarta Islamic Index (JII) or which have passed as *sharia* stocks in Indonesia. This form of investment can be in the form of pure stocks, Islamic bonds, and Islamic *Sukuk* in Indonesia. Eventhough the company has sent the fund into pure stocks institution, it hasn't checked all mechanism and

distributing fund clearly.

On the Fatwa DSN-MUI No: 52/DSN-MUI/III/2006, Part Six (6) explains that if a dispute occurs between the policyholder and the company does not fulfill its obligation, then the settlement will be done through the Sharia Arbitration Board if an agreement has not reached by deliberation. However, according to the records of Prudential Sharia Yogyakarta branch, so far there have never been any major problems between the company and the policyholder. According to the research and description above, it can be seen that Prudential Sharia Yogyakarta branch as a branch of Prudential Indonesia insurance company has almost fulfilled with Fatwa DSN-MUI No: 52/DSN-MUI/III/2006. They haven't been clearly transperence in managing and distributing the insured person's fund.

27 CONCLUSION

Based on the results of the analysis and previous discussion, the implementation of wakalah bil ujah contract at PRULink Syariah Generasi Baru at Prudential Sharia Yogyakarta branch can be conclude as follows: (1) The implementation of the wakalah bil ujah contract at PRULink Syariah Generasi Baru at Prudential Sharia Company Yogyakarta Branch is implementing life insurance with the wakalah bil ujah contract at the Yogyakarta branch of Prudential sharia has several elements in-volved in it, namely the insured person application form accessed by the marketing agent admin through PRUforce, the terms, and conditions that must be met by policyholders, a policy summary and illustration; (2) The application of the wakalah bil ujah contract at PRULink Syariah Generasi Baru at Prudential Sharia Company Yogyakarta Branch according to Fatwa DSN-MUI No: 52/DSN-MUI/III/2006 is mostly fulfilled all the provisions stipulated in Fatwa DSN-MUI No: 52/DSN-MUI/III/2006. The company has a website to find the term and conditions also the benefits before being insured person. Even so, the company hasn't been clearly transperence in managing the investment fund. Also, the company hasn't informed the peoples well about this contract, there were several peoples can't to differ between saving plan and investment.

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