

ABSTRACT

This study aims to analyze the effect of consumer protection implementation on financial performance of life insurance in Indonesia. It takes to explain the vital role of consumer protection in maintaining the financial performance of the life insurance industry by focusing on data of five key aspects of consumer protection which consist of Financial Literacy, Complaint Handling and Dispute Resolution and Dispute Resolution, Information disclosure and transparency (Product Marketing), and Standard Agreements, Data Confidentiality and Security. We use panel data regression with random effect to analyze the effectiveness of five key aspects of consumer protection to financial performance of life insurance. We find that there is a significant effect of consumer protection on financial performance. Financial Literacy, Complaint Handling and Dispute Resolution and Dispute Resolution and Data Confidentiality and Security have a positive influence on financial performance. Moreover, Information Disclosure and Transparency, and Standard Agreements aspects did not show a significant relationship in this context. By highlighting the crucial role of consumer protection in maintaining financial stability, the study offers valuable recommendations for regulators and life insurance practitioners to strengthen consumer protection policies and practices.

Keywords: Financial Consumer Protection, Regulation, Financial Performance, Insurance Operating Result Ratio, Life Insurance