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LIABILITY LIMITATION OF BROKER COMPANIES' INSURANCE ON LEGAL ACTIONS THAT POSING THREAT TO POLICY HOLDERS

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ABSTRACT
The development of Human Resources capabilities and changes in business patterns that are increasingly diverse in the 4.0 Era requires business people to make a lot of extra efforts aimed at meeting the needs of the community in all aspects of business, both in the manufacturing sector and in the service sector. As a result, there is a shift in the concept of the working relationship between workers and employers. The demand for the availability of workers in companies who have certain competencies as stipulated by the Ministry of Manpower in the regulations concerning the Indonesian Work Competency Standards (SKKNI) has implications for many things: increased obligations of the authorities in providing better remuneration, the contribution of roles, authority, and responsibilities more than ordinary workers. The consequence is that when responsibility and authority are given, it creates accountability, and then what is the limit for the company to be responsible for actions taken by the professional employees. The normative juridical research method is used in this study with a statute approach, namely by analyzing the provisions of Law Number 40 of 2014 concerning Insurance, especially the articles that discuss Insurance Brokerage Companies, Law Number 40 of 2007 concerning Limited Liability Companies, and the legal relationship between Insurance Broker Companies and Insurance Brokers in the form of work and liability agreements subject to Law Number 13 of 2003 concerning employment. Another approach used is the conceptual approach, namely by approaching the concept of absolute or limited civil liability for Limited Liability Companies as reflected in the provisions of Article 1367 Code of Civil Law. Due to the actions of employees who make negligence/mistakes, violations of law and ethics must be the responsibility of the Limited Liability Company, including employee actions that have implications for risk, all of which can be limited by contracts/work agreements, laws and regulations and or by the applicable professional code of ethics.

KEY WORDS
Limitations, accountability, professional, omissions.

The development of the insurance industry demands an increase in the quality of Human Resources as actors and drivers. Regulatory legal provisions regarding the form, and governance of insurance companies, are formulated in such a way in the form of laws and regulations and their derivative regulations in the form of the Financial Services Authority Regulation as the Institution that regulates, supervises, and carries out enforcement.

In the insurance industry, there are several groups of insurance companies, namely:

- General Insurance Companies;
- Life Insurance Companies;
- Social Insurance Companies.

In addition to insurance companies that act as insurers, there are also forms of insurance companies that provide more comprehensive services for policyholders (insured), namely insurance brokerage companies/reinsurance brokerage companies, insurance agent services, loss appraisal services, and actuarial services, in line with what is stated in article 55 Law Number 40 of 2014 concerning Insurance, namely:

- The profession of service provider for insurance companies, namely: Actuary consultant, Public accountant, Appraiser, Other professions stipulated by the Financial Services Authority Regulation;
- To be able to provide services to insurance companies, service providers as referred to in paragraph (1) must first be registered with the Financial Services Authority.

Insurance Brokerage Company, in this case, can specifically be seen as a legal entity formed to meet the needs of the community that can assist them in buying insurance products and assist when starting the risk selection process, choosing an insurance company and when a claim occurs. This business is very important for people (the insured) who are still unfamiliar with the conditions and requirements of insurance policies that are useful for reducing gaps in the formulation of insurance contracts.

Of the 53 life insurance companies, 73 general insurance companies, and 6 reinsurance companies with a total premium income of 735.83 trillion rupiahs a fairly large number contributing to national economic development. Of this figure, 161 Insurance Brokerage Companies and 42 Reinsurance Brokerage Companies have contributed in the form of an income of Rp 12.02 Trillion which on average comes from the general insurance business segmentation, the rest of the figures generally use direct line business or Use the services of an insurance agent. As of the end of January 2020, there have been 203 Insurance Brokerage Companies consisting of 197 National Private Insurance Brokerage Companies, and 6 (six) Joint Venture Insurance Brokerage Companies (Apparindo, 2022).

The involvement of Insurance Brokerage Companies in insurance premium income provides a fairly large contribution. In addition to Insurance Brokerage Companies, other entities that serve as distribution facilities (facilitators) for the formation of insurance agreements are insurance agents, banks and financing institutions (leasing), and 3rd parties that are not prohibited by regulation (for example travel agencies, workshops, and others) (Pieloor et al, 2018).

In particular Insurance Brokerage Companies and Reinsurance Brokerage Companies as stipulated in Article POJK Number 68 / POJK.05/2016 concerning Business Licensing and Institutional Insurance Broker Companies, Reinsurance Broker Companies, and Insurance Loss Assessing Companies The insurance broker business forms are a) limited liability companies; or b) cooperatives as stated in Chapter II Part II article 2.

Insurance Brokerage Company as a form of legal entity (legal entity) which is recognized as a legal subject as provided for in carrying out its legal actions requires company organs. In the provisions of Law Number 40 of 2007, the legality of the legal action of the company's organs representing the company carrying out its roles and functions has just been declared valid, legally the authority in question exists and the legal action taken is legal for the company. Which legal actions have legal consequences and legal liability, both in the form of responsibility and liability. The existence of an Insurance Brokerage Company in addition to complying with the provisions stipulated in Law Number 40 of 2007 concerning Limited Liability Companies, is also clearly seen in the formulation of the provisions of POJK Number 70 /POJK.05/2016 of 2016 concerning Business Conduct of Insurance Brokerage Companies, Reinsurance Brokerage Companies, and Insurance Loss Assessing Companies. In this regulation, it appears that there are parties related to insurance brokerage companies including policyholders (insured, participants), insurance companies, insurance brokers, and experts.

The legal relationship that is formed between the Insurance Broker Company and the Insurance Broker is a legal relationship based on a work agreement. This work agreement must of course follow the provisions stipulated in Law Number 13 of 2003 concerning Manpower. Insurance Broker Company is domiciled as entrepreneur and Insurance Broker is domiciled as Worker. The elements of the relationship based on this work agreement can be seen from the existence of; 1) the existence of a certain job, 2) the existence of order as outlined in the scope, duties, and obligations of the parties in the work agreement, 3) the element of wages, in the form of the employer's obligation to provide payment of wages that are the rights of the worker for the work that has been ordered/assigned or delegated authority by the Entrepreneur.

Legal responsibility due to the work activities of insurance brokers as people who work for insurance brokerage companies is specifically regulated in article 30 paragraph (3) of Law Number 40 of 2014 concerning Insurance:

“Insurance Brokerage Companies and Reinsurance Brokerage Companies are responsible for the Actions of Insurance Brokers and Insurance Brokers who provide recommendations to policyholders regarding insurance coverage or reinsurance closures”

The concept of the legal relationship that is formed between Insurance Brokerage Companies and Insurance Brokers, as a company and professional relationship today must be viewed in the form of a balanced legal relationship (meaning having the same bargaining position) no longer in the context of a subordinated legal relationship (between superiors and subordinates). The shift in the concept of legal relations between superiors and subordinates and a balanced relationship due to the bargaining position of the insurance broker profession which is necessary for the insurance brokerage company has an impact on the emergence of potential errors/carelessness caused by the actions of the Insurance Broker Profession that cause losses to other parties can be measured.

This legal relationship in the form of a work contract makes the company must take responsibility for the activities and/or legal actions taken by brokers, and insurance experts when they make mistakes (negligence), carelessness, and or violations that cause potential losses for policyholders and the insurance company. The concept of limited liability which is owned by a legal entity of a Limited Liability Company, there is a possibility that the interests of the policyholder cannot be fully met and the concept of an immeasurable vicarious liability will have an impact on the interests of the Insurance Broker company which will be disturbed by malpractice/unprofessional actions from experts and insurance brokers.

The shift in the concept of a balanced legal relationship, the contribution of higher economic value (salary/income) along with the duties and authority given to the insurance brokerage profession, demands that the identification of concrete limits on civil liability (read: liability) of insurance brokerage companies against the actions of the broker profession must be carried out insurance. What are the limitations of the Insurance Broker Company's liability for the Insurance Broker's legal actions? was appointed as the formulation of the problem in this study.

METHODS OF RESEARCH

This legal research is conducted to find solutions to legal issues that arise by choosing normative legal research, namely research that is built on scientific disciplines and the workings of normative legal science. The statute approach used in this research is in the form of research on regulations relating to the Insurance Act, Financial Services Authority Regulations (POJK) on Insurance Brokerage Companies and also uses a conceptual approach, an approach that tries to build a legal concept related to the existence of insurance brokerage companies, insurance brokers and accountability of professional actions carried out as a profession.

RESULTS AND DISCUSSION

The legal relationship between Insurance Brokerage Companies and Insurance Brokers can be seen for the first time from the General provisions of Article Number 40 of 2014 which states that “Insurance Broker is a person who works for an insurance brokerage company and fulfills the requirements to provide recommendations or represent the Policy Holder, the Insured, or Participant in conducting insurance or sharia insurance closing and/or claim settlement”.

From the above definition, it can be formulated which is classified as an Insurance Broker:

- *People*. The subjects referred to by insurance brokers are legal subjects of people;
- *Working*. the person is meant to carry out activities in the form of doing something in the form of work, which means doing an achievement;

- *Insurance Brokerage Company*. Where the person works is an insurance brokerage company that carries out its duties and roles based on the provisions of legislation and professional employment contracts and in carrying out/operating the company follows the provisions regulated by the Financial Services Authority Regulation.

The first to third formulations become complete when the wage element is added so that the criteria for the category of legal relations based on labor relations are met. So the formulation of the employment relationship can be interpreted as a bond arising from the existence of a work agreement. The employment relationship is usually used to refer to a relationship that exists between one party referred to as an employee and another party referred to as an entrepreneur. This legal relationship is carried out by at least two legal subjects regarding a job (Wijayanti, 2018). Through this working relationship, some rights and obligations arise reciprocally between workers and employers. The Manpower Act defines an employment relationship as a relationship between an entrepreneur and a worker/laborer based on a work agreement, which has elements of work, wages, and orders. This working relationship is the core of industrial relations.

Based on this explanation, a new working relationship can arise if there are important elements that must be met, namely (Farida, 2020):

- The existence of work *(arbeid)*, which is agreed upon as the object of the agreement, is one of the conditions for the validity of a work agreement. Types of the scope of a job are very diverse. Manpower Law, because if given an understanding or a certain limitation, it will complicate the implementation and development of manpower (Farida, 2020), so that the jobs listed in the agreement are written in general terms. This work is free according to the agreement between the worker and the company, as long as it does not conflict with laws and regulations, morality, and public order (Wijayanti, 2018);
- The existence of a certain wage (loan), is the right of the worker/laborer who is received and expressed in the form of money or other forms as a reward from the entrepreneur or employer to the worker who is determined and paid following the work agreement, agreement or statutory regulations, including allowances for workers and their families for a job and/or service that has been or will be performed by the worker;
- There is an order *(gezag ver houding)*, an instruction given by the entrepreneur/employer to the worker/worker to do the job. The order can be interpreted as a word that is intended to order something or a rule from the top party (employer/supervisor) that must be done. The meaning shows that there are elements of an upper and lower party or an element of necessity to do something by someone at the will of another (Farida, 2020). The relationship formed is a relationship between superiors and subordinates, so that it is subordinated. The main character is subordination, while dependence is characterized by economic dependence, the presence or absence of control over work methods does not matter. Now, the criteria of subordination have proven insufficient to be a benchmark of principle to distinguish a true employment relationship from a commercial relationship. Alain Supiot's report cites two reasons for this: first, in the legal sense, this does not capture a situation of professional workers who enjoy objective freedom in carrying out their duties because they have high skills. For such workers, the employer cannot direct the core of the work, only the parameters of its implementation. Second, from the point of view of In social terms, these criteria lead to the expulsion of workers who should objectively and subjectively receive assistance within the scope of the labor law. Work orders do not always have to be included in the work agreement. Orders can be interpreted as part of routine work, interpreted as more flexible or soft that can be included in an internal rule within a company. The existence of this order creates a relationship called *dienverhoeding*, which means that workers/laborers must be willing to work under orders from other people (the employer) (Khakim, 2009). A work agreement as the basis for the

formation of an employment relationship will be valid if it fulfills the conditions for a valid agreement and fulfills the legal principles of the engagement (Wijayanti, 2018);

- Is time *(tijd)*, meaning that workers work for a specified time or for an indefinite time, or forever (Wijayanti, 2018). The impact of this element is the emergence of a classification of the term casual daily worker contract for a certain time and an indefinite period known as permanent workers.

The legal subject in an employment relationship is the employer-employer and the worker. The legal subjects related to work agreements are workers and employers; it can be expanded to include employer associations, employer association associations, or APINDO with workers/labor unions, union unions, or as an extension of workers (Wijayanti, 2018).

The legal object in the employment relationship is the work carried out by the worker, in other words, the achievements inherent in the worker are the legal object in the employment relationship. The legal object of the work agreement, namely the rights and obligations of each party on a reciprocal basis includes the terms of company regulations, work location, or other things due to the employment relationship. Working conditions are always related to efforts to increase productivity for employers and efforts to increase welfare by workers. The interests of employers and the interests of workers are essentially contradictory (Wijayanti, 2018). Legal objects in an employment relationship can be contained in a work agreement, company regulations, and collective labor agreements. The position of the work agreement is under company regulations.

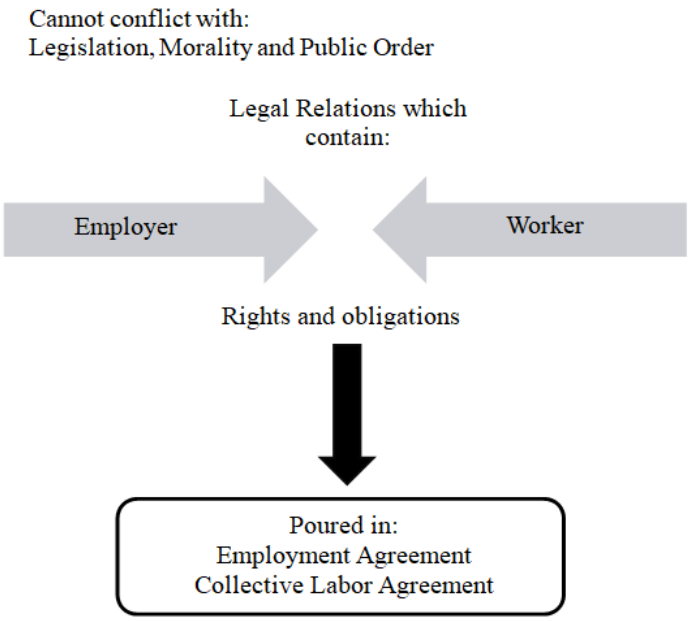

Figure1 – Scheme of legal object in working relationship

As the provisions of Article 1320 Code of Civil Law regarding the validity of an agreement. The employment agreement must also meet material or formal requirements. The material requirements are regulated in the provisions of Law Number 13 of 2003 article 52, while the formal requirements are regulated in article 54. The material conditions of the work agreement, the work agreement is made based on:

- The agreement of both parties. Agree in this case to be part of the main element in the work agreement, understanding of the scope of work, type of work, period of work, and wages (loan) for the implementation of work by legal subjects must be based on a complete agreement. Subekti mentions agreeing as a permit, namely the two legal subjects who agree must agree, agree or agree on the main things of the agreement being made. What is desired by one party is also desired by the other party. They want the same thing reciprocally (Subekti, 1987);

- Ability or ability to carry out legal actions. The limitations on this skill are regulated in Article 1330 Code of Civil Law, which is the incompetence to make agreements, namely: minors, those who are put under custody, female people.

Onbekwaamheid can be considered as a record of will *(wilsgebrek)*, but basically, it is not an abnormal condition such as coercion, digression, and fraud *(dwang, dwaling, berdrog)*, but based on the law itself which for some reasons does not give normal powers to the will of certain people (Prawirohamidjojo, 1984). The provisions of Article 1330 Code of Civil Law for the time being do not apply at all since the issuance of Law Number 1 of 1974 concerning marriage. In employment relations, a person is said to be an adult when he is 18 years old:

- There is an agreed job. The object of work is clearly defined with the scope and terms defined concretely;
- The agreed work does not conflict with public order, morality, and applicable laws and regulations.

This is related to the reason that it is permissible to refer to the object of an employment relationship if any work is carried out, as long as it does not conflict with statutory regulations, decency, and public order.

The work agreement made by the parties that are contrary to the provisions above, in the case of letters a and b can be canceled, and the work agreement made by the parties that are contrary to the provisions as referred to in letters c and d are null and void by law.

The four conditions are cumulative, meaning that all of them must be fulfilled before it can be said that the agreement is valid. The requirements for the ability, skills, and free will of both parties in an agreement in civil law are called subjective conditions because they involve the person agreeing, while the conditions for the existence of the work that is agreed upon and that must be allowed are called objective conditions. After all, they involve the object of the agreement. If the objective conditions are not met by the subjective conditions, then the consequence of the agreement is that it can be canceled, as well as a parent/guardian or guardian for people who are not capable of agreeing can request the cancellation of the agreement to the judge. Thus, the agreement has legal provisions that have not been canceled by the judge (Husni, 2017).

The initial employment agreement was regulated in Article 1601 a Code of Civil law, which was an agreement that the first party, namely the laborer, was bound to submit labor to another party, namely the employer, with wages for a certain period. The principle that stands out in the work agreement, namely the attachment of a person (worker/labor) to another person (entrepreneur) to work under orders by receiving wages. So if someone has bound himself to a work agreement, he must automatically be willing to work under the orders of others (Wahyudi et al, 2016). This is what is often referred to by legal experts as a relationship is over *(dienstverhouding)*.

Obligations of the parties in the Employment Agreement:

- *Workers' Obligations.* In the Code of Civil law, the provisions regarding workers/labor are regulated in articles 1603, 1603 a, 1603 b, and 1603 c which in essence are as follows: workers/laborers are obliged to do the work; workers/laborers are obliged to obey the rules and instructions of the entrepreneur/employer; obligation to pay compensation and fines. If the worker/laborer commits an act that is detrimental to the company either by intention or negligence, then according to legal principles, the worker is obliged to pay compensation and a fine (Article 1601 w Code of Civil law) (Husni, 2017);
- Employer's Obligations: obligation to pay wages; obligation to provide rest/leave; obligation to take care of care and treatment; the obligation to provide a certificate.

As a form of the peculiarity of the working relationship that exists in companies engaged in professional insurance brokerage services, people who work in an insurance brokerage company are referred to as insurance brokers; insurance brokers in carrying out work must meet the fourth element, namely:

- Eligible to provide recommendations or represent policyholders, insured, or participants.

The meaning of the diction "meeting the requirements" is almost certain here is that the person as the subject of a legal relationship based on the employment agreement, who does work in an insurance brokerage company (read; insurance broker) must meet and have competency requirements as an insurance broker as regulated in a Council Member's Decision. Commissioner Number 1/KADK.02/2020 concerning the Determination of the Implementation of the Indonesian National Qualifications Framework in the Insurance Sector. This decision specifically adopts and becomes a derivative of OJK Regulation No. 67/POJK.05/2016 concerning Licensing and Institutional Insurance, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies, as well as POJK No. 68/POJK.06/2016 concerning Business Licensing and Institutional Insurance Brokerage Companies, Reinsurance Brokerage Companies and Loss Assessing Companies, and Presidential Regulation Number 8 of 2012 concerning Indonesia's National Qualification Framework in letter E.

In the decree, Insurance Brokers must meet the criteria for Qualification Level 5 in the Insurance Sector, sub-sectors of Insurance Brokers, and Reinsurance Brokers with the codification and qualification of K.651ASRO1. The desired qualifications include the knowledge and skills that must be possessed by the incumbent level Insurance Broker or Reinsurance Broker at an Insurance Broker or Reinsurance Broker Company. Fulfillment of qualifications includes knowledge, skills, and work attitudes as measured in the insurance brokerage sector.

- In the closing of insurance or sharia insurance and or claim settlement.

The scope of work referred to is that carrying out the work of insurance brokers must be in line with the duties, functions, and roles of insurance brokerage companies in carrying out their corporate duties, namely the task of carrying out a series of insurance closing processes to handling claim settlements, including:

1. Contract pre/preparation, by providing consulting services in the field of risk management, the result of which is the conclusion that risk treatment is needed or not, whether by avoiding risk (avoiding risk), accepting risk by carrying out risk improvement, or accepting risk by transferring risk;
2. The process of contract formation, by conducting a process of selecting an appropriate insurance program and an adequate insurance company so that the purpose of risk transfer carried out by the policyholder can be carried out effectively and efficiently;
3. Contract Period, by carrying out obligations that contain monitoring, and control over things that have been agreed upon by the parties in the insurance contract;
4. Claim, conduct and assist the claim handling process according to the applicable procedures and provisions based on the insurance contract.

An insurance Brokerage Company is a legal entity formed to meet the needs of the community for an agency that can assist them in buying insurance products and assist in the event of a claim, where the insured community is very familiar with the conditions and requirements of insurance policies and on the other hand the Insurance Company very understands. So that the Government feels the need to form Insurance Brokers through regulations, namely the Insurance Law Number 2 of 1992 which was amended by Law number 40 of 2014 concerning Insurance to protect the interests of the wider community. The functions and roles of Insurance Brokerage Companies in other parts of the world have been very developed and almost all insurance transactions have gone through the distribution channels of Insurance Brokerage Companies.

Insurance brokers as workers who work in insurance brokerage companies play a practical role in their functions and of course, they must adhere to 3 (three) basic things.

First, the legal provisions that are regulated in such a way in the laws and regulations, in the form of Standards of Conduct for Insurance Broker Companies are regulated in POJK Number 70/POJK.05/2016 Concerning Business Conduct of Insurance Brokerage Companies, Reinsurance Broker Companies, and Insurance Loss Assessing Companies in Chapter III concerning Standards of Business Conduct consists of 9 (nine) sections from articles 4 to 51 of 9 (Nine) including:

1. Obligation to manage premiums and contributions;
2. Claim Handling obligations;
3. The obligation of Expertise in the field of Insurance;
4. Obligation to provide facilities for Handling Complaints or Complaints;
5. The right to get Fees;
6. The mechanism for managing Premium Accounts and Operational Accounts;
7. Provide information related to the object of Insurance;
8. In conducting business activities and prohibition of business;
9. Data Confidentiality obligation.

In more detail the roles and duties of Insurance Brokerage Companies are described in several illustrations as follows:

- Represent the interests of the Insured regarding insurance interests;
- Identifying the insurance needs of the insured and making “terms & conditions” of insurance policies as needed (Risk Management Program);
- Select and propose insurance companies for risk placement;
- Placing risks, monitoring policy issuance, checking the correctness of policy contents, and policy administration;
- Provide socialization of the contents of the policy, insurance consultation, and guidance during the current policy period;
- Handling claim settlement so that it can be completed within a reasonable time and amount of compensation;
- Provide training, training, workshops, updated insurance developments, and others according to the needs of service users.

Second, the scope contained concretely in the employment agreement as the basis for the emergence of existing legal relationships between insurance brokerage companies and insurance brokers (workers).

Third, the standard of behavior regulated in the Indonesian Insurance and Reinsurance Brokerage Company (APPARINDO) code of ethics and the Indonesian Insurance and Reinsurance Brokerage Expert code of ethics (APARI). As a profession in the form of a company (legal entity) or person that has standards of behavior, it is stated in the professional code of ethics used as an indicator-measurement of the level of professional behavior of insurance brokers in it to ensure the achievement of the goals of insurance brokerage companies and policyholders as service users.

In legal science, especially in the field of civil law, there are various principles of accountability, including:

- The principle of liability based on fault or liability based on the fault principle, proving the defendant's fault must be carried out by the plaintiff (the injured party);
- In the principle of accountability based on the presumption of guilt (rebuttable presumption of liability principle / presumed liability), the defendant is considered always guilty unless he can prove things that can free him from guilt;
- The principle of transferred liability (vicarious liability), requires a person to be responsible for the actions of others or also called imputed liability. In this type of liability, it is not always necessary to have an employer-employee relationship, but also a relationship representing the interests (agents) of a corporation;
- In the principle of absolute liability or absolute liability (no-fault liability, strict liability, absolute liability principle), the party causing the loss (the defendant) is always liable regardless of whether or not there is an error or not seeing who is at fault, or in other words, the principle of this liability views the fault as irrelevant to the dispute, whether it does not exist.

One way to distinguish the principles of accountability can be seen in terms of procedural law in the form of the obligation to prove, namely by looking at whether or not there is an obligation to prove, and who must prove in the process of proving in court.

J.H. Nieuwenhuis, particularly regarding the employer's liability for the unlawful acts of his subordinates as referred to in Article 1367 Code of Civil Law, divides liability into 3 (three) groups, namely (Saragih, 1985):

- Liability is based on fault *(schuldaansprakelijkheid)*;
- Accountability with the burden of proof reversed *(schuldaansprakelijkheid met omkering van bewijlast)*. The context of this responsibility to avoid liability that arises must prove that it is good enough to prevent a risk from occurring (Saragih, 1985);
- This concept includes sharpened liability *(verscherpe aansprakelijkheid)*. The plaintiff does not need to prove that the defendant was not careful enough, but on the contrary, the defendant to avoid his liability must prove that he tried to be careful enough so that he cannot be blamed. The concept of accountability is contained in the provisions of Article 1367 paragraph (2) in conjunction with paragraph (5) Code of Civil Law, as well as Article 1367 paragraph (3).

In the construction of the Insurance Broker professional practice, in carrying out the roles, functions, and duties that give rise to the insurance broker's authority to represent the insurance brokerage company, the legal consequences arising from negligence, errors in carrying out these roles, functions, and duties are the responsibility of the Insurance Brokerage Company.

The lexical meaning of accountability is not found in the Big Indonesian Dictionary, what is better known and used is responsibility. Responsibility is the state of being obliged to bear everything (if anything happens, you can be sued, blamed, sued, etc.) From the word responsibility, Martono divides it into three types, namely accountability, responsibility, and liability.

Responsibility in the sense of accountability is the responsibility that has to do with finance or trust, for example, accountants must be accountable for their financial statements. Responsibility in the sense of responsibility is responsibility in the sense of public law, for example, perpetrators can be prosecuted before a criminal court based on applicable laws and regulations. While responsibility in the sense of liability is legal responsibility according to civil law, for example, the obligation to pay compensation for losses or suffering suffered by the victim as a result of the perpetrator's actions. The victim can sue before a civil court to pay the loss to the perpetrator, either the person or legal entity that caused the loss (Martono, 2007). Goldie distinguishes the term responsibility refers to duty, which is a standard for fulfilling a social role determined by a certain legal system, while liability is used to refer to the consequences of an error or failure to carry out an obligation or to meet a certain standard that has been set (Goldie, 1986).

Peter Mahmud Marzuki provides a more in-depth explanation compared to Martono and Goldie who do not explain why liability is a legal responsibility according to civil law or certain standards. According to Peter Mahmud Marzuki, the meaning of liability is accountability *(aansprakelijkheid)* which is a specific form of responsibility. Liability refers to the position of a person or legal entity that is deemed to have to pay some form of compensation or compensation after a legal event or legal action. He, for example, must pay compensation to another person or legal entity for committing an unlawful act *(onrechtmatige daad)* to cause harm to the other person or legal entity, therefore the term liability is within the scope of private law (Marzuki, 2008).

Moegni Djojodirdjo associates liability with two disputing parties because one party feels aggrieved due to the unlawful act of the other party, thus obliging the party causing the loss to bear the loss according to the lawsuit filed in court by the aggrieved party. So compensation is a form of responsibility of the perpetrator to the sufferer. This responsibility arises as a result of an unlawful act *(onrechtmatige daad)*. Article 1365 of the Code of Civil Law states that every unlawful act that causes harm to another person, requires the person because of his mistake to issue the loss, to compensate for the loss (Djojodirdjo, 1982). In this regard, J.H. Nieuwenhuis said that the terms of liability under Article 1365 Code of Civil Law are that a person is responsible for the loss of another person, if (Saragih, 1985):

a. Acts that cause harm are unlawful (acts that violate the law);
b. The loss arises as a result of the act (causal relationship);

c. The perpetrator is guilty (fault);
d. The violated norms have a *"strekking"* to avoid losses (relativity).

Unlawful acts, mistakes, causal relationships, and relativity are each a necessary condition *(noodzakelijk)* and collectively constitute a sufficient condition *(veldoende)* for liability under article 1365 of the Code of Civil Law. This article opens the possibility of filing various claims. Among them are (Saragih, 1985):

- Compensation;
- Statement (as) law;
- Judge's orders or prohibitions.

In the context of liability (liability) caused by law violations, negligence, and mistakes to other parties on legal subjects who have legal relations based on work agreements within the scope of company law, the provisions of Article 1367 (3) Code of Civil Law with the doctrine of vicarious liability must be seen as not absolute liability, in line with the principles contained in limited liability in the company. This takes into account the provisions of Article 1367 (5) Code of Civil Law which reads "the above-mentioned liability ends, if the parents, school teachers or head craftsmen prove that each of them cannot prevent the act for which they should be responsible". This means that violations or defaults committed by insurance brokers based on contracts/work agreements, applicable laws and regulations, and codes of ethics that regulate professional behavior are limitations of liability owned by Insurance Brokerage Companies.

CONCLUSION

Insurance Brokerage Company as a legal entity in the form of a Limited Liability Company has limitations in liability. Likewise in the case of losses incurred by the Insurance Broker as an Employee in the Insurance Brokerage Company. The limits of liability of the Insurance Broker Company are determined based on several components, namely: 1) Work Agreements made by Insurance Broker Companies and Insurance Brokers, 2) Legal obligations that must be carried out by Insurance Brokers determined by Legislation or Professional Ethics of Brokers. This provision provides a legal construction that in the legal aspect of the company, risk liability *(risico aanspraklijkheid)* is reduced as *lex specialis* from Article 1367 paragraph (3) Code of Civil Law. Full risk accountability requires supervision from the mandate provider, namely the Board of Directors of the Insurance Company that employs Insurance Brokers. Control or supervision is one of the reasons for the existence of liability for unlawful acts committed by Insurance Brokers when carrying out the said mandate.

Insurance Brokers as professional workers who are bound to a certain minimum competence and professional ethics must be able to improve their professional skills to be able to take full responsibility for all their actions. The deviant behavior of an Insurance Broker who acts beyond his authority *(ultra vires)*, uses his authority for other purposes, or commits negligence because he is not competent in carrying out the competencies he should have then should be the personal responsibility of the Insurance Broker concerned himself. Insurance Broker Companies also need to protect the Company from mistakes made by Insurance Brokers that can harm the corporation by providing continuous education and training to Insurance Brokers so that they have "professional competency of experts" and internally it is necessary to agree on the rights and obligations of each party to be able to protect each other's interests.

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