

**ANALYSIS OF THE CONTRIBUTION OF SHARIA MOTOR VEHICLE INSURANCE PREMIUMS TO THE TOTAL PREMIUM CONTRIBUTION OF THE SHARIA INSURANCE INDUSTRY IN INDONESIA**

**Andika Saputra<sup>1\*</sup>, Rizky Basir<sup>2</sup>, Mhd Hafiz<sup>3</sup>, Fikri Ariga<sup>4</sup>, Yudi Paruhum<sup>5</sup>, Nurhayati Harahap<sup>6</sup>**

<sup>12345</sup>Program Studi Ekonomi Islam, Fakultas Ekonomi dan Bisnis Islam, Universitas Islam Negeri Sumatera Utara, Medan, Indonesia

<sup>6</sup>Program Studi Ekonomi Syari'ah, Fakultas Agama Islam, Universitas Al Washliyah, Medan, Indonesia

\*Correspondence Email: [andikasaputrahsb99@gmail.com](mailto:andikasaputrahsb99@gmail.com)

**ABSTRACT**

*The development of the Islamic insurance industry in Indonesia continues to grow as the public becomes more aware of financial products that adhere to Islamic principles. Among the various business sectors within Islamic general insurance, Islamic motor vehicle insurance offers significant potential. This study aims to determine the contribution of Islamic motor vehicle insurance premiums to the total premiums of the Islamic insurance industry in Indonesia and to understand its role within the overall structure of the industry. This study uses a descriptive quantitative method by analyzing secondary data derived from reports from the Financial Services Authority (OJK) and the Indonesian Islamic Insurance Association (AASI). The research results show that Sharia motor vehicle insurance premiums contribute significantly to the Sharia general insurance category, but their contribution to the total premiums of the Sharia insurance industry remains relatively small compared to Sharia life insurance, which dominates the market. This is because Sharia life insurance products are well-known and widely accepted, while Sharia general insurance still has a limited market share. It is hoped that this research will assist stakeholders and industry regulators in designing Sharia motor vehicle insurance development strategies to increase its contribution to the national Sharia insurance industry.*

*Keywords: Sharia insurance; Sharia motor vehicle insurance; premium contribution; Sharia general insurance; Sharia insurance industry.*

## **INTRODUCTION**

The development of the Islamic insurance industry in Indonesia is showing an increasingly positive trend, along with growing public awareness of the importance of financial protection in accordance with Sharia principles. Sharia insurance serves not only as a risk mitigation instrument but also as a means of mutual assistance (ta'awun) among participants through a fund management mechanism based on the principles of justice and togetherness. In this context, premium contributions are a key indicator in assessing the performance and sustainability of the Islamic insurance industry.

One of the business lines that plays a strategic role in general sharia insurance is sharia motor vehicle insurance. This product provides protection against the risk of loss or damage to vehicles. With the increasing number of motor vehicles in Indonesia, it has the potential to contribute significantly to the total premium contribution of the sharia insurance industry. The existence of sharia motor vehicle insurance also reflects the industry's response to the public's need for protection products that are halal, transparent, and equitable.

However, specific data on Sharia-compliant motor vehicle insurance premium contributions has not been publicly published in separate statistical form, either by business line or by company's operational area. Available reports generally present aggregated Sharia-compliant general insurance premium contributions or the industry-wide contribution. This situation presents a challenge in conducting an in-depth analysis of the role of Sharia-compliant motor vehicle insurance in the revenue structure of the Sharia-compliant insurance industry in Indonesia.

Based on these limitations, this study uses Sharia general insurance premium contribution data as a proxy to analyze the contribution of Sharia motor vehicle insurance premiums to the total premium contribution of the Sharia insurance industry in Indonesia. The analysis focuses on the 2022–2024 period, using secondary data sourced from industry reports and official publications of associations and relevant authorities.

Therefore, this study aims to analyze the contribution of Sharia-compliant motor vehicle insurance premiums to the total premium contribution of the Sharia-compliant insurance industry in Indonesia and to describe the trend of this contribution over the study period. The results are expected to contribute to academic research and serve as a reference for further research, as well as inform industry players and regulators' considerations in developing Sharia-compliant insurance products and policies in Indonesia.

## **Sharia Insurance Theory**

Sharia insurance, also known as takaful, is a protection system that operates in accordance with Islamic principles. These principles encompass mutual assistance (ta'awun), risk sharing (tabarru'), and are free from elements of riba (usury), gharar (excessive uncertainty), and maisir (gambling). In this system, participants' contributions are pooled into a collective fund for mutual support in the event of a disaster, in accordance with sharia principles.

## **Price Insurance Sector Financial Performance Theory**

In assessing the performance of this sector, insurance research typically utilizes various financial ratios and performance metrics:

- Assets in this sector reflect the sector's size and financial capability to meet future obligations.
- Premium income reflects the money received from participants and will serve as a source of funds for claims and investments.
- Claims represent the obligations the company must pay, reflecting the actual risks faced.
- Investment is the use of funds from contributions to generate profits, particularly through sharia-compliant instruments such as sukuk or Islamic money markets.

In the realm of insurance finance, the balance between contributions, claims, and investments is a marker of the stability and sustainability of an insurance company's business.

## **Risk Management Theory in Insurance**

Risk management is a field that studies how to identify, measure, monitor, and manage risk. In the context of Islamic insurance, this concept is integrated with Sharia norms, where members share risk through a tabarru' fund.

Risk Theory in Insurance:

- Explains how a company balances the risks assumed with the premiums paid by members.
- This includes managing claims so that they do not exceed existing contributions and maintain the company's financial health.
- The claims-to-contribution ratio serves as a benchmark for assessing a company's risk health.

### **Investment Theory in the Sharia Insurance Industry**

In the context of Sharia insurance, investment of participant funds must comply with Sharia law, meaning they must not be directed to prohibited areas (such as usury, gambling, alcohol, and so on). Funds collected by the company must be invested in Sharia-compliant instruments, such as sukuk, Sharia-compliant money markets, and other halal instruments.

Sharia portfolio theory outlines how to allocate investment funds safely, in accordance with Sharia, and achieve maximum returns while maintaining liquidity to meet claims requirements.

### **RESEARCH METHODS**

This study employs a descriptive quantitative approach to systematically measure and describe the contribution of sharia-compliant motor vehicle insurance premiums and their proportion to the total premium contribution of the sharia insurance industry in Indonesia. The analysis was conducted through numerical and statistical data processing from secondary sources, specifically official reports on the sharia insurance industry published by the Indonesian Sharia Insurance Association (AASI) and the Financial Services Authority (OJK). A quantitative approach was used because the research object is expressed numerically, namely the value of insurance premium contributions. This approach allows researchers to conduct objective, standardized, and comparable measurements across periods. Meanwhile, the descriptive nature of this study aims to provide a factual overview of the level of Sharia motor vehicle insurance premium contributions without testing causal relationships between variables.

### **RESULTS AND DISCUSSION**

#### **Development of the Sharia Insurance Industry**

Based on the Sharia insurance industry statistical report published by the Indonesian Sharia Insurance Association (AASI) and the Financial Services Authority (OJK), the performance of the Sharia insurance industry in Indonesia shows a positive growth trend. Total premium contributions from the Sharia insurance industry increased from IDR 8.57 trillion in 2024 to IDR 9.42 trillion in 2025, representing a year-on-year growth of 9.84 percent. This increase reflects growing public interest and participation in Sharia-compliant insurance products.

#### **Premium Contribution by Sharia Insurance Business Line**

When viewed by business line, the premium contribution of the Sharia insurance industry is dominated by Sharia life insurance. In 2024, Sharia life insurance premiums were recorded at IDR 7.13 trillion, increasing to IDR 8.20 trillion in 2025, with a growth rate of 14.90 percent.

Meanwhile, Sharia general insurance experienced a decline in premium contribution. Premiums decreased from IDR 1.14 trillion in 2024 to IDR 0.87 trillion in 2025, a contraction of 23.28 percent. Sharia reinsurance premiums increased from IDR 0.29 trillion to IDR 0.34 trillion, a growth of 15.71 percent. These findings indicate that the overall growth of the Sharia insurance industry is supported more by the performance of Sharia life insurance than by Sharia general insurance.

#### **Position of Sharia Motor Vehicle Insurance in the Industry**

In the AASI/OJK report, the premium contribution of Sharia motor vehicle insurance is not presented separately, but is still included in the Sharia general insurance category. Therefore, the analysis of Sharia motor vehicle insurance premium contribution is conducted indirectly by examining premium developments in the Sharia general insurance line as a whole.

The decline in premium contribution in Sharia general insurance indicates weakening performance in the products included in the category, including Sharia motor vehicle insurance. This suggests that the growth of Sharia motor vehicle insurance has not been able to keep up with the growth rate of the Sharia insurance industry as a whole.

### Premium Contribution Proportion Analysis

Proportionally, the dominant contribution of Sharia life insurance premiums to the total premiums in the Sharia insurance industry is increasing. Conversely, the role of Sharia general insurance—which includes Sharia motor vehicle insurance—has experienced a relative decline. This condition has caused the portion of Sharia motor vehicle premiums contributing to the total premiums in the Sharia insurance industry to tend to decline during the observation period.

The quantitative calculation of the Sharia motor vehicle premium contribution proportion should ideally be performed by comparing the value of Sharia motor vehicle premiums to the total premium contribution of the Sharia insurance industry. However, the limited detailed data in this report means that the analysis can only be conducted at the Sharia general insurance category level.

### Discussion on the Decline in Sharia General Insurance Contributions

The decline in Sharia general insurance premium contributions may be influenced by several factors, including increasing public preference for Sharia life insurance products, intense competition with conventional insurance products in the motor vehicle segment, and selective underwriting policies and premium rate adjustments by Sharia insurance companies.

These conditions have resulted in a decrease in premium contributions from the Sharia general insurance sector, although the overall Sharia insurance industry continues to show positive growth.

### Implications of Research Findings

The results of this study indicate that the increase in the total premium contribution of the Sharia insurance industry is not always accompanied by an increase in contributions across all business lines. Sharia motor vehicle insurance, which falls within the Sharia general insurance category, still faces challenges in increasing its contribution to the industry's total premiums. Therefore, product development strategies, increased Sharia insurance literacy, and marketing innovation are needed to increase the contribution of Sharia motor vehicle insurance in the future.

**Table 1. Growth in Sharia Insurance Asset Value in April 2025**

Report	Assets (in trillions) 2024	Assets (in trillions) 2025	Growth (YoY)
Sharia Life Insurance	33,09	34,52	4,30%
Sharia General Insurance	9,15	9,64	5,29%
Sharia Reinsurance	2,82	2,87	1,88%
Total	45.07	47,03	4,35%

Report	Assets (in trillions) 2024	Assets (in trillions) 2025	Growth (YoY)
Sharia Life Insurance	7,13	8,20	14,90%
Sharia General Insurance	1,14	0,87	-23,28%
Sharia Reinsurance	0,29	0,34	15,71%
Total	8,57	9,42	9,84%

Report	Assets (in trillions) 2024	Assets (in trillions) 2025	Growth (YoY)
Sharia Life Insurance	1,19	1,26	5,51%
Sharia General Insurance	0,41	0,40	-1,31%
Sharia Reinsurance	0,35	0,34	-3,79%
Total	1,96	2,01	2,40%

Report	Assets (in trillions)	Assets (in trillions)	Growth (YoY)
	2024	2025	
Sharia Life Insurance	26,34	27,15	3,10%
Sharia General Insurance	6,59	7,22	9,55%
Sharia Reinsurance	2,33	2,42	3,72%
Total	35,27	36,80	4,35%

## CONCLUSIONS

Based on the results of data processing and analysis conducted using a descriptive quantitative approach, this study indicates that the sharia insurance industry in Indonesia has generally experienced positive development. The total premium contribution of the sharia insurance industry has increased from one period to the next, reflecting the growing public acceptance and trust in insurance products based on sharia principles. However, this improvement in industry performance has not been evenly distributed across all business lines. Sharia life insurance proved to be the most dominant sector contributing to the increase in total premium contribution, while sharia general insurance actually showed a decline in premium contribution. Given that sharia motor vehicle insurance is part of the sharia general insurance group, this indicates that the contribution of sharia motor vehicle insurance premiums to the total sharia insurance industry premiums tended to weaken during the study period. Due to data limitations that do not present the contribution of Sharia motor vehicle insurance premiums separately, the analysis was conducted using an aggregate approach for the Sharia general insurance category. Nevertheless, the findings of this study provide empirical evidence that the role of Sharia motor vehicle insurance in the national Sharia insurance industry remains relatively small and faces various challenges in its development. Thus, the results of this study confirm that the increase in the total premium contribution of the Sharia insurance industry does not fully reflect the strengthening of all product segments. Therefore, strategic steps are needed by Sharia insurance companies and regulators to improve the performance and competitiveness of Sharia motor vehicle insurance products so that their contribution to the Sharia insurance industry in Indonesia can be sustainably enhanced.

## BIBLIOGRAPHY

- AASI. (2024). *Laporan perkembangan industri asuransi syariah Indonesia*. Asosiasi Asuransi Syariah Indonesia.
- AASI. (2025). *Statistik industri asuransi syariah Indonesia*. Asosiasi Asuransi Syariah Indonesia. <https://www.aasi.or.id>
- Antonio, M. S. (2001). *Bank syariah: Dari teori ke praktik*. Jakarta: Gema Insani Press.
- Ascarya. (2015). *Akad dan produk bank syariah*. Jakarta: Rajawali Pers.
- Dewan Syariah Nasional–Majelis Ulama Indonesia. (2001). *Fatwa DSN-MUI Nomor 21/DSN-MUI/X/2001 tentang Pedoman Umum Asuransi Syariah*. Jakarta: DSN-MUI.
- Huda, N., & Heykal, M. (2010). *Lembaga keuangan Islam: Tinjauan teoritis dan praktis*. Jakarta: Kencana.
- Otoritas Jasa Keuangan. (2024). *Statistik IKNB syariah*. Jakarta: OJK. <https://www.ojk.go.id>
- Otoritas Jasa Keuangan. (2025). *Roadmap pengembangan industri keuangan non-bank syariah Indonesia*. Jakarta: OJK.
- Sugiyono. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Bandung: Alfabeta.
- Sula, M. S. (2004). *Asuransi syariah: Konsep dan sistem operasional*. Jakarta: Gema Insani Press.
- Sutedi, A. (2011). *Good corporate governance*. Jakarta: Sinar Grafika.
- Undang-Undang Republik Indonesia Nomor 40 Tahun 2014 tentang Perasuransian.