

Improving The Efficiency and Quality of Sharia General Insurance at Sun Life Insurance at PT. Sun Life Syariah Medan Branch

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***Abstract.**In general, insurance is providing risk protection to the insurer, namely an insurance organization and an agreement agreed upon for a certain period of time. PT Sun Life Syariah Medan Branch is a Sharia general insurance organization located on Jl. Captain Jumhana No. 127, Sukaramai II, Kec. Medan Area, Medan City, North Sumatra. The aim of this research is to find out how to increase the efficiency and quality of superior Sharia general insurance products at PT Sun Life Syariah Medan Branch. The research method uses qualitative methods. The research results obtained are that the level of efficiency of an organization is not determined by the amount of total income, total expenditure, or the total capital owned by the company. However, on the contrary, it is influenced by the business's ability to maximize profits through the effective use of its own resources, which determines the level of efficiency. For this reason, it can be concluded that the Sun Life Financial Syariah Medan Branch organization has better management skills than traditional insurance organizations to design products optimally and minimize the costs required.*

***Keywords:** Efficiency, Quality, Sharia Insurance, Sun Life Insurance*

INTRODUCTION

Insurance companies are one of the right places for people to get this guarantee. (Syahatah, 2016). Millions of insurance companies, especially life insurance companies in Indonesia, have offered various products that can attract public interest from various aspects of human needs. (Janwari, 2015). Basically, insurance is a non-bank financial institution, neatly organized in the form of a company that is oriented towards business aspects that are clearly visible in the modern era (Ali, 2016)

Insurance is a financial means in household life, whether facing the risk of death or facing the loss of objects owned. Insurance promises protection to the insured against the risks faced (Nasution, 2019)

According to the definition of insurance in article 1 of Law Number 2 of 1992 concerning insurance businesses, "Insurance or guarantor is an agreement between two or more parties". The insurer binds the insured by charging insurance premiums, so that the insured is able to provide compensation in the form of loss, damage, or loss incurred by the insured is able to obtain the benefits and legal responsibilities expected from third parties due to uncertain events. Or provide compensation based on the death or life of the insured." (Sula, 2018).

Various types of insurance organizations in Indonesia are very competitive and compete for excellence in the business and economic world. (Imsar & Nasution, 2022).

The history of insurance in Indonesia has been a very long process until finally we can feel the benefits and positive role played by insurance. Insurance in this case offers services in the form of protection to create a sense of security and protection. Apart from that, insurance provides an opportunity to work together and help each other among client members with various financial burdens suffered by other people through insurance. (Marisa, 2022).

Sharia insurance is insurance whose business operations are based on sharia principles sourced from the Koran and Hadith as well as the fatwas of ulama, especially those gathered in the Indonesian Ulema Council (MUI). (Muhammad, 2015).

Due to the superiority of Islamic insurance over traditional insurance, all these businesses have Shariah units. (Madani & Nurwani, 2023). It can be seen from the response of the public who are flocking to get sharia insurance, this letter sharia insurance is very popular and increasingly popular. Due to the superiority of Islamic insurance over traditional insurance, all these businesses have Shariah units. (Madani & Nurwani, 2023).

In order to implement the Spin Off more quickly and fulfill the requirements, the Sharia business unit should try to grow its competitiveness and quality considering that the sharia insurance market share is still fluctuating. Therefore, regular efficiency analysis is needed to evaluate and minimize errors in order to determine decisions that will improve company performance (Sunarsih & Fitriyani, 2018).

Developments in the insurance sector are also very fast, so it is clear that currently there are quite a lot of consumers who have become insurance customers. Consumer behavior that often occurs recently is that they tend to choose insurance that is affordable, according to their purchasing power and according to their individual needs (Ainun Reska, Yenni Samri Juliati Nst, 2023)

In the Islamic religion, humans have been ordered to behave in a moderate manner (efficiently) in utilizing the resources and possessions they own as explained in the Koran (Margareta, 2020).

Efficiency theory is closely related to consumption theory and production theory in microeconomics. Efficiency in consumption theory is where consumers have the ability to maximize the utility or satisfaction they will fulfill. Meanwhile, in production theory, this is where a company can generate maximum profits from the production it carries out. Efficiency will be optimal if the company can maximize output by using fixed inputs or by minimizing the use of inputs to achieve the same output level (Sunarsih & Fitriyani, 2018)

The factors that influence efficiency are:

1. If the same input can produce a greater output.
2. If the input obtained is smaller, it will produce the same output.

According to Mardiasmo, efficiency indicators describe the relationship between resource input by an organizational unit (for example: staff, wages, administrative costs) and the output produced. Input The indicator provides information about the conversion of input to output.

PT Sun Life Syariah Medan Branch is a Sharia general insurance organization that is terd

THEORITICAL REVIEW

1. Efficiency

a. Understanding Efficiency

In general, efficiency is a comparison between output and input, where the company is able to manage existing inputs optimally to produce maximum output (Agustina, 2017). The meaning of efficiency in production theory is when a company carries out production and produces maximum profits, whereas in consumption theory efficiency is interpreted when consumers are able to maximize their satisfaction and utility. Islamic microeconomics literature states that an organization must fulfill one of two criteria so that the organization can be said to be efficient if the organization can produce maximum output by minimizing the use of inputs or by using fixed inputs to achieve the same level of output (Wangi & Derwanto, 2020).

Consistency of operations in an organization, both private and public organizations, is important for the continuity and growth of the organization/company. This is related to the quality of the products and services produced. If the process is carried out inconsistently, the organization cannot guarantee that the products or services produced will also be consistent. Even though product and service quality consistency is very important to retain customers and attract new customers... operational consistency is not an easy thing to achieve. This is caused by differences in how employees work when completing the same job (Yusrizal, 2020).

The concept of efficiency in Islam is reflected in surah al-isra verses 26-27 which means: "and give to close families their rights, to the poor and people who are traveling and do not squander (your wealth) wastefully . Indeed, waste people are the brothers of Satan and Satan is very disobedient to his Lord (Al-Isra 26-27).

b. Actions to Improve Efficiency

Because efficiency is a ratio, to improve efficiency the following actions can be taken:

1. Increase output for the same amount of input.
2. Increase output with a proportion of increase in output that is greater than the proportion of increase in input.
3. Lower input for the same amount of output.
4. Reducing input with a reduction proportion that is greater than the proportion of output reduction.

c. Efficiency Measurement

Efficiency is measured by the ratio between output and input. The greater the output compared to the input, the higher the level of efficiency of an organization.

2. Quality

Service quality can be interpreted as efforts to fulfill the needs and desires of clients and the placement of delivery to match customer expectations. The benefits of service quality are to measure the level of excellence of a product or service through several indicators of physical evidence, responsiveness, reliability, empathy and guarantee. An institution or organization is good if it has good service to its customers so that it can increase the client's interest in choosing and using a product or service.

Service from the company is very influential on the satisfaction of clients who want to be served well, so that clients will think positively about returning to the Sharia life insurance organization (Silviyanti, 2019).

3. Sharia Insurance

Sharia insurance is one of the priority businesses that has very important opportunities in Indonesia, but the sharia insurance claim mechanism is quite complicated so it affects people's trust in using sharia insurance products. Companies in Indonesia have great potential and continue to grow, marked by the increasing popularity of insurance and the insurance products offered. Financial crises and the many disasters, increasing health costs, education and needs in old age, are increasing public awareness to invest and protect themselves by choosing Sharia Insurance products (Review, 2023).

In the context of sharia insurance, the term insurance has many meanings, including at-ta'min, Takaful, and sharia insurance. These expressions are not different and have the same meaning, namely covering or bearing each other (Djazuli, 2002). At-ta'min is the Arabic word for insurance. The insurer is called mu'ammin, while the insured is called musta'min. At-ta'min comes from the word amanah, which means to provide protection, peace, security and escape from fear. As the word of Allah SWT protects them from fear. (QS, Al Quraish verse 4).

Takaful is another word for sharia insurance that is commonly used. Takaful comes from the words takafala-yatakafulu. It means both "guarantee" and mutual guarantee in its etymology. Takaful in Muamalat's definition is mutual risk-bearing, among others, where one person becomes the bearer of another's danger. This reciprocal risk taking is carried out on the basis of supporting each other for good and spending tabarru money, worship funds, dues and donations that are proven to cover risks (Kertajaya & Hermawan, 2014).

1. Sun Life Insurance

PT Sun Life Financial Syariah Indonesia, which moved to Indonesia around 1995, continues to work to provide assistance to Indonesian citizens to help them gain financial security and live a more secure life. For more than 40 years, Sun Life Financial has grown into a dominant global financial services provider. Sun Life Financial realized from the start that this would be a long journey with many valuable lessons. Sun Life Financial's dedication to its clients has not wavered over the years. To achieve prosperity with financial security, Sun Life Financial wants to provide customers with a sense of security and peace of mind. It serves as the basis for all of Sun Life's financial actions.

Sun Life Financial Indonesia continues to make various service improvements. PT Sun Life Financial Indonesia's goal as a leading financial service provider is to help families achieve financial security. A long-term process is needed to achieve financial security and there are three main components, including protection, savings and investment. To help the general public prepare thorough financial planning so that dreams of a bright and planned future with financial stability can be fully realized. Various service participant products equipped with these features are offered by PT Sun Life Financial Indonesia (Pratami, 2021).

2. Previous research

This research is in line with research conducted by Sunarsih and Fitriyani (2018) with the title "Analysis of sharia insurance efficiency in Indonesia in 2014-2016 using the Data Envelopment Analysis (DEA) method", with the research results, the low level of efficiency of a number of insurance companies in this research influenced by general and administrative expenses, claim payments, investment income, capital investment, and tabarru fund collection (Sunarsih & Fitriyani, 2018)

Apart from that, this research is also in line with research conducted by Budi Prijanto and Meyta Indrayani (2023), with the title "Analysis of the efficiency level of sharia business units of life insurance companies in Indonesia in preparing spin-off plans", with the results of research on the performance of sharia business units from Life insurance companies in Indonesia during the 2018-2020 period were inefficient. This can be seen from the average

efficiency value of the 17 sharia units studied, 13 of which or 76.47% of sharia units received the title of inefficient (Priyanto & Indrayani, 2023)

This research is also in line with research conducted by Zulfitri, Rahmi Syahriza (2022), with the title "The Influence of Service Quality on Sharia Insurance Participant Satisfaction (Case Study of Education Fund Participants at PT. Sun Life Financial Syariah Medan City Branch)", with research results there are factors that influence the demand for education insurance at PT Prudential Pruaini Medan City Branch. The factors that influence the demand for education insurance at PT Sunlife Finansial Medan City Branch are the Income factor, the Age factor (Zulfitri, 2022)

RESEARCH METHODS

The research method carried out by the author in this article uses qualitative methods. Where this method will later be obtained from the results of research in the field using direct observation about how to grow efficiency

RESEARCH RESULTS AND DISCUSSION

1. Featured Products in Sharia General Insurance at PT. Sun Life Syariah Medan Branch.

PT Sun Life Financial Indonesia currently serves the people of big cities throughout Indonesia, one of which is PT Sun Life Syariah Medan Branch, which is one of the branch offices of PT Sun Life Financial Group of Companies, which offers various products and services for the protection and growth of individual, family and business wealth which are services from PT Sun Life Financial Indonesia. The largest life insurance provider in Canada is PT Sun Life Financial which has one of the best reputations in North America and throughout the world.

Sun Life Financial Indonesia's Risk Based Capital (RBC) in March 2002 was 138%, which exceeded the government mandate in 2002 of 75%. Sun Life Financial Indonesia's performance between 2000 and 2001 showed encouraging growth with total assets increasing from IDR 364 billion to IDR. 460 billion and total premium income increased from IDR 123 billion to IDR 165 billion. With its strength and achievements, PT Sun Life Financial Indonesia has built a reputation under the slogan "Plan Your Future" and is determined to always be loyal to help you achieve financial security.

The superior products from Sun Life Financial Syariah Medan Branch include education fund products, pension fund products, health, post-retirement, investment and waqf products. Education fund products are one of the 5 items that are most in demand but also those that are currently experiencing the most difficulties, where parents struggle to manage their finances even for their children's higher education. Many participants in this education fund expressed their frustration at not being able to set aside money for the future and not even knowing the advantages of this product. As a result, Sun Life Financial Syariah Medan Branch offers higher quality services compared to design products, especially for education funds.

1. Life Protection Products

Every human soul is priceless and unique. An unexpected death in the family can harm the family financially and emotionally. Protecting your family from financial difficulties that might arise if a family member dies, especially the breadwinner, is one of the main reasons for having life insurance. Medical expenses, food costs and unpaid debts are examples of this financial problem. These costs may be partially covered by the life insurance death benefit. The bereaved family can feel more comfortable with the help of life insurance.

2. Health Protection Products

Everyone wishes they never got sick, but everyone sometimes needs medical attention. People without health insurance are at risk of having to pay medical bills, which as we know are quite expensive. This can cause these people to experience financial problems, accumulate large debts or even declare bankruptcy. Financial security is provided by health insurance which also provides other significant benefits.

3. Critical Illness Insurance

Critical illness can have a significant impact on a person's life due to the high cost of medical care, which can leave family members experiencing financial difficulties. When someone needs money for treatment, critical illness insurance can guarantee financial security so that the family can continue to be supported. For residents who do not want this medical condition, especially if they have a family history of critical illness, critical illness insurance is very profitable. Your financial planning will be protected from unexpected medical costs thanks to this critical illness insurance because as we know, medical costs now and in the future are quite expensive. Sun Critical Medicare Insurance is one of the best products offered by Sun Life insurance.

4. Accidents & Disability

Everything unexpected happens in life. Accidents that can happen to you cannot be predicted. However, if you have accident insurance you can be protected from the financial impact if an accident occurs. Accident insurance also offers defense against potential side effects of accidents such as death and physical injury. With this insurance you can protect your finances and yourself.

Efficiency can be defined as the capacity of an organization to manage existing inputs optimally to produce a certain volume of output or as the capacity to produce an optimal amount of output with a certain set of inputs.

The level of efficiency of an organization is not determined by the amount of total income, total expenditure or total capital owned by the company, according to research findings. If a client borrows money from the bank then there is always collateral. This collateral can be in the form of a house, shop, factory and so on.

1. Developing services so that clients continue to choose superior products, namely fire products

To develop services so that clients continue to choose superior products, namely fire products from IPT. iSun ilife isyariah is a branch of imedan imma from that iorganization should imake istry. The strategy is in the form of:

To find services so that clients continue to choose superior products, namely fire products from PT Sun Life Syariah Medan Branch, therefore organizations should create strategies to attract consumers or customers. One of the strategies is;

- Fast and responsive service.
- Ensure fire products are superior to other products.
- Providing the best service and providing discounts on fire insurance.
- Set premium prices that are cheap enough to attract consumers.
- Be proactive with clients whose policies are nearly due. The organization should actively ask for clients' policies that are nearly due.

2. Head Office Policy, DPS and DSN-MUI Considerations

All product policies follow head office policies. So in this case all product innovation takes place at the head office, specifically in the marketing division. Marketing which describes how the superior product of Sun Life Syariah insurance, Medan Branch, is the fire product, which is currently one of the most superior products on the market. Then there are considerations from the DPS (Sharia Supervisory Board) and DSN-MUI (National Sharia Council of the Indonesian Ulema Council), and so on. This innovates PT Sun Life Syariah Medan Branch to develop better products in the future and be able to compete in the sharia insurance market in order to continue to advance the company and provide the best service to customers and potential customers.

CONCLUSION

The level of efficiency of an organization is not determined by the amount of total income, total expenditure, or total capital owned by the company. But the ability of a business to maximize profits through the efficient use of its own resources. There are many products provided by PT Sun Life Financial Syariah Medan Branch, including life protection products, health protection products, critical illness, accident and disability products. And the most superior of all the products at PT Sun Life Financial Syariah Medan Branch is the fire insurance product. In finding the efficiency of superior products, namely fire insurance, in this case PT Sun Life Syariah Medan Branch usually considers things such as paying attention to market demand for fire products, finding services so that clients continue to choose superior products, namely their own fire products and all products must be in accordance with head office policies and also considerations from DPS and DSN MUI. Therefore, it can be concluded that PT Sun Life Financial Syariah Medan Branch has better management skills than traditional insurance organizations to design products optimally and minimize the costs required..

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