



LEADERSHIP AND GOOD CORPORATE GOVERNANCE ON SOCIAL SECURITY

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SOCIAL SECURITY PROGRAM UNDER LAW NO. 40/2004

- HEALTH INSURANCE
- PENSION
- OLD AGE & DISABILITY
- ACCIDENT
- DEATH INSURANCE

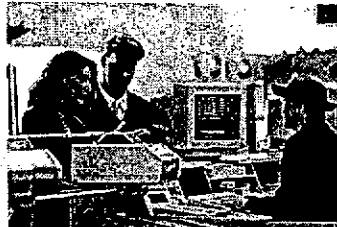


Indonesia have been implemented those five social security program to formal sector, civil servant & pensioners

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BASIC PRINCIPLES OF NATIONAL SOCIAL SECURITY SYSTEM

- COOPERATION
- NOT FOR PROFIT
- TRANSPARENCY
- PRUDENT
- ACCOUNTABILITY
- PORTABILITY
- MANDATORY
- TRUST FUND
- INVESTMENT RESULT FOR MEMBER BENEFIT



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Cross subsidies within all member (the rich to the poor, the low risk to the high risk, the health to the sick member). Through this program, social security could build the social fairness for all Indonesian citizens.

The main goal of this program is maximizing fulfill the health service needed by members

The premium and all of expenses should be managed prudent, accountable, efficient & effective.

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 - INVESTMENT RESULT FOR MEMBER BENEFIT
- Investing fund on manageable risk portofolio

Committed to responsibility and credibility for managing of fund.
- Social security provide continuing guarantee for all members, although their move to other job or other region in Indonesia

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BASIC PRINCIPLES OF NATIONAL SOCIAL SECURITY SYSTEM

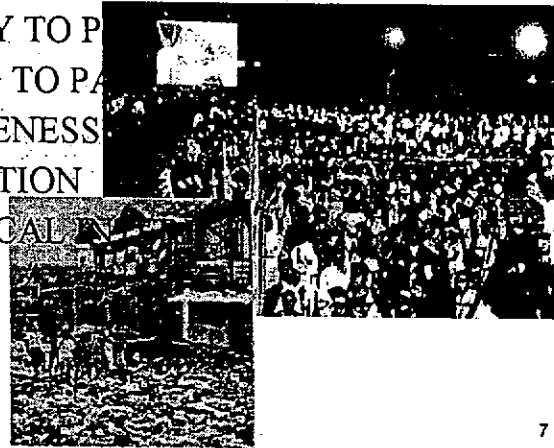
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- This program provide social security for all Indonesian's people in all sector step by step. The first stage will cover the all formal sector, and the second stage will cover informal sector.

All fund should be managed effectively for optimizing the health service benefit for all beneficiaries.
- Every investment result for maximizing benefit for member.

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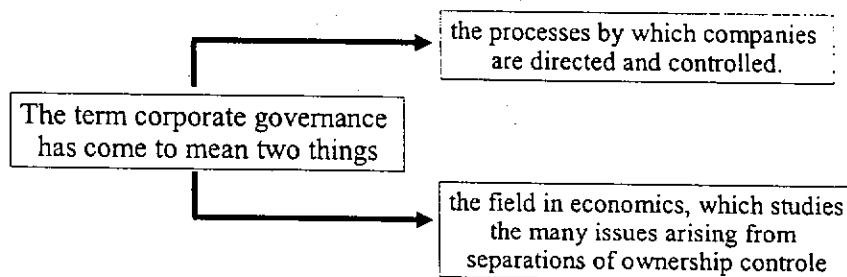
PROBLEMS IN EXTENSION OF COVERAGE

1. POPULATION 220 MILION,
SCATTER THRU 35 PROVINCE, 440 REGENCY
2. LOW ABILITY TO P
3. LOW WILING TO PA
4. LOW AWARENESS
5. LOW EDUCATION
6. HIGH POLITICAL IN



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GOOD CORPORATE GOVERNANCE

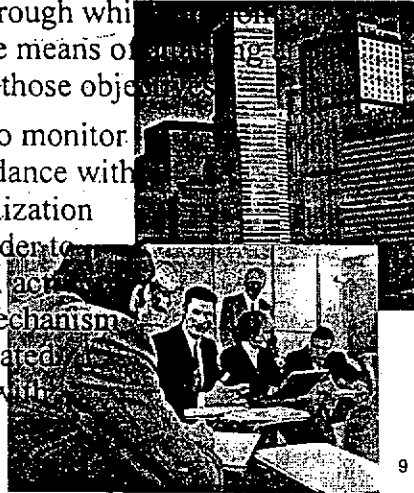


Relevant rules include applicable laws of the land as well as internal rules of a corporation. Relationships include those between all related parties, the most important of which are the owners, manager, directors of the board, regulatory authorities and to a lesser extent employees and the community at large. Systems and processes deal with matters such as delegation of authority.

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GOOD CORPORATE GOVERNANCE

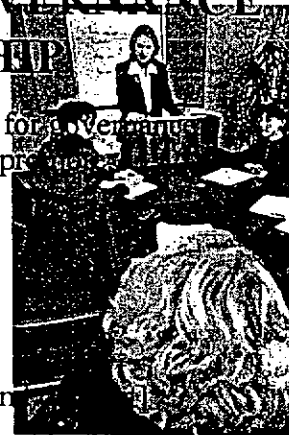
- The corporate governance structure spells out the rules and procedures for making decisions on corporate affairs. It also provides the structure through which objectives are set, as well as the means of monitoring the performance of those objectives.
- Corporate governance is used to monitor whether outcomes are in accordance with plans and to motivate the organization to be more fully informed in order to maintain or alter organizational activities. Corporate governance is the mechanism by which individuals are motivated to align their actual behaviors with the overall participants.



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GOOD CORPORATE GOVERNANCE AND LEADERSHIP

- There must be an effective body responsible for governance separate and independent of management to promote:
- ☑ *Accountability*
[leadership that must be ready to account]
 - ☑ *Efficiency and effectiveness*
[hence leadership for results]
 - ☑ *Probity and integrity*
[hence leadership that is honest, faithful and]
 - ☑ *Responsibility* [hence leadership that is capable, responsible, representative and conscious of its obligations]
 - ☑ *Transparent and open leadership* with accurate and timely disclosure of information relating to all economic and other activities of the corporation



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REFERENCE FOR GCG IN STATE OWNED ENTERPRISE

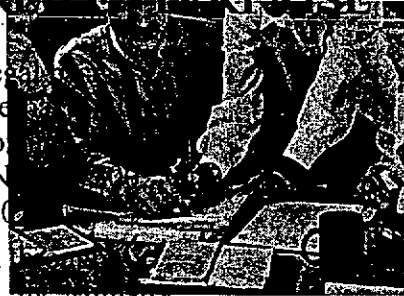
- ☐ Undang-Undang Nomor 19/2003 Tentang BUMN
- ☐ Undang-Undang Nomor 8/1996 Te
- ☐ Undang-Undang Nomor 1/1995 Te
Perseroan
- ☐ Kepmen Nomor 117/M-BUMN/20
Tentang Pelaksanaan GCG
- ☐ Permen Nomor PER-05/MBU/2000
Tentang Komite Audit Bagi BUMN
- ☐ OECD Corporate Governance Guid
- ☐ Code of Conduct of National Comm
of Good Corporate Governance
- ☐ Peraturan Bapepam No 45/PM/200
- ☐ Anggaran Dasar Perusahaan



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GCG IN STATE OWNED ENTERPRISE

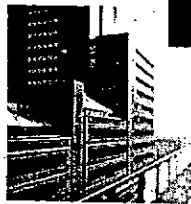
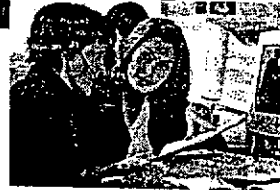
- ☐ The regulation that provide the le
for implementing Corporate Gove
and limiting Corruption, Collusion
Nepotism is : Ministrial Decree N
and Ministrial Decree No 103/200
- ☐ Corporate Governance education
socialization. By the end of 2005, the Ministry
has socialized about 112 SOEs.
- ☐ Corporate Governance evaluation / assessment of SOEs has
been implemented almost on all of SOE's to date.
- ☐ SOE Corporate Governance is annually reviewed together
with Key Performance Indicators and a required Statement of
Corporate Intent.
- ☐ A fit and proper test mechanism for appointment of Directors
and Commissioners is required.



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GCG IN STATE OWNED ENTERPRISE

1. AUDIT COMMITTEE TO SUPPORT BOC
2. RISK MANAGEMENT COMMITTEE
3. REMUNERATION COMMITTEE
4. CODE OF ETHICS & CODE OF CONDUCT
5. BOC-BOD RELATIONSHIP
6. RELATIONSHIP WITH STAKEHOLDERS
7. REALTIONSHIP TO SHAREHOLDER



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As a facilitator to make sure that all internal controle structure operate in the right track, internal dan external audit conducted according the audit guidelines and follow up the object need to improve or to correct.

As a facilitator for BOC to review the risk management system has planned by BOD and to analysis corporate risk.

As a facilitator for BOC to set the criteria for BOC and BOD candidate and remuneration.

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Manual that addressed among their things, (conflict of interest, corporate gifts, corporate opportunities, confidentiality, fair dealing, protection and proper use of company assets, compliance with law....)

Check and balances relationship to conduct the effective internal control and risk management, reasonable return, protect the reasonable stakeholder's interest, leadership and management in all operation unit and fulfill the implementing of GCG.

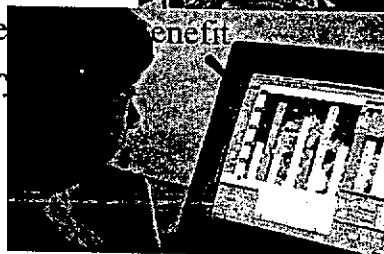
Relationship with policy holder, government, provider, beneficiaries and partner.

Shareholder have to well informed about the procedure and every material on time and routine.

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AREA OF GCG IN SOCIAL SECURITY PROGRAM

1. Awareness of Employer to Register Their Employee
2. Registration and Single Identity Number
3. Premium Collections
4. Willingness and Ability to Pay Premium
5. Information to Employee about Benefit
6. Quality Service Delivery



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AREA OF GCG IN SOCIAL SECURITY PROGRAM

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Awareness of Employer to Register Their Employee → 2. Registration and Single Identity Number → 3. Premium Collections → 4. Willingness and Ability to Pay Premium → 5. Information to Employee About Benefit → 6. Quality Service Delivery | <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Employer have to register their business, own self and their employee to the insurer depend on the kind of social security.</p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Insurer (Bapel) have to create single identity number (SIN) for member.</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>Member should pay a sum of premium based on percentage of salary of nominal premium. Every employer have to collect the employee premium, subsidy the part of premium that have they paid and then transfer all of the premium to the insurer. Especially premium for indigent people for health service as the starting social security program are paid by government.</p> </div> |
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|---|--|
| <ol style="list-style-type: none"> 1. Awareness of Employer to Register Their Employee → 2. Registration and Single Identity Number → 3. Premium Collections → 4. Willingness and Ability to Pay Premium → 5. Information to Employee About Benefit → 6. Quality Service Delivery → | <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Premium must set for every program in each single time depend on socioeconomic condition and the basic need of daily life.</p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Bapel (insurer) must provide all information for member about enrollment, benefit, administration, service procedures, etc.</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>The first program to implement social security system in Indonesia is Health Insurance. National Health Insurance implemented with basic principles are social insurance and equity. The benefit are comprehensive (promotive, preventive, curative and rehabilitative). The provider, who provide the health service are public hospital and private hospital that have contractual agreement with insurance.</p> </div> |
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GCG IN SOCIAL SECURITY INSTITUTION

1. PUBLICATION OF THE ANNUAL REPORT
2. INDIVIDUAL EMPLOYEE ACCOUNT
3. QUICK RESPONSE ON COMPLAINT
4. PERFORMANCE MANA



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4. PERFORMANCE MANAGEMENT SYSTEM

As a subject to audit, insurer have to provide annual report as a part of responsibility for public, government or stakeholders.

Each employee or member have access or receive the information about their individual account, such as the accumulative or premium and the benefit of all program.

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4. PERFORMANCE MANAGEMENT SYSTEM

Every complaint should respond at the first time or second to built positive image for program or insurer.

All systems should be improved continuously to gain the effective operation and benefit for all stakeholders based on operational efficiency. And at the end the best quality of services could deliver for all members.

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INNOVATION

1. EFFECTIVE OPERATIONAL SYSTEM
2. SYNCHRONIZATION OF SOCIAL SECURITY PROGRAM
3. COOPERATION WITH LOCAL GOVERNMENT
4. SOCIAL



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INNOVATION

1. EFFECTIVE OPERATIONAL SYSTEM
2. SYNCHRONIZATION OF SOCIAL SECURITY PROGRAM
3. COOPERATION WITH LOCAL GOVERNMENT
4. SOCIAL MARKETING

The operation program must integrate the effectiveness of program and the operational cost or expense

Synchronization of social security program very important to make effectiveness and more efficient operational program.

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INNOVATION

1. EFFECTIVE OPERATIONAL SYSTEM
2. SYNCHRONIZATION OF SOCIAL SECURITY PROGRAM
3. COOPERATION WITH LOCAL GOVERNMENT
4. SOCIAL MARKETING

Cooperation with local government become the key success factor for implementing social security because the source of data and information about employee, employer, indigent people, service facility (public hospital, PHC, others) already exist in distric or province area.

To optimize the program and to make sure that the members will get information about health care services as they need social marketing should be done by the government and also by insurance.

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STRATEGY TOWARD UNIVERSAL COVERAGE

1. LAW ENFORCEMENT TO FORMAL SECTOR
2. START PROJECT ON INFORMAL SECTOR
3. IMPROVE GOVERNANCE ON IMPLEMENTATION
4. SMART AND PRUDENT INVESTMENT



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The first step to enreached universal coverage started for all existing formal sector that could be done by the law enforcement from government.

In the other hand, coverage for informal sector should be started as a pilot project.

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Manage the National System with the huge data and information and manage the national or public interest as a basic need for all people need effective and governance implementation.

Funding should be managed smart and prudent through investment for program sustainability

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THANK YOU

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