

Indonesian Legal Brief

Consumer Goods

Issue 1426, 2/6/2010

Pertamina Offers Insurance to Users of Liquefied Petroleum Gas

T Pertamina, the state-owned oil and gas magnate, will be offering insurance to users of its 3 kg green fuel tanks - seen almost entirely throughout Indonesia - as it moves to implement the government's Kerosene to Liquefied Petroleum Gas Conversion Program.

LPG is stored at higher pressure than its kerosene predecessor, moderately increasing the risk and impact of accidents, which are already common enough. If a converted 3 kg canister causes an accident, customers can submit insurance claims to Pertamina, but must show a Conversion Program Identification card to assert their right to make the claim, or show an official statement from a Pertamina manager in the region. All customers of converted 3 kg LPG fuel tanks able to show an identification card will be covered.

After receiving an insurance claim, Pertamina will cooperate with its subsidiary in the insurance business, PT Tugu Pratama Indonesia, to assess insurance claims and dispense funds. The assessment will: (1) investigate whether the accident resulted from a 3 kg tank in the Conversion Program, (2) verify reports of the accident date, location, and descriptions of events, (3) assess damages to all objects and persons, (4) estimate the value of losses, and (5) evaluate any medical costs and documentation.

Upon that assessment, if the claim is deemed acceptable, within 4 days of approval and on behalf of Pertamina, Tuga Pratama Indonesia will issue fiscal compensation to the customer. Later, they will issue a Memorandum of Payment to Pertamina to notify the parent company of the compensation.

This Indonesian Legal Brief is based upon research conducted by the *hukumonline* team.

Past Issues

- Second Amendment to Regulation on the Import of Certain Products (Issue 1425 01/06/2010)
- Amendment to Jakarta's Non-Smoking Area Regulation (Issue 1424 - 31/05/2010)
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