



ANALYSIS OF THE UNDERSTANDING LEVEL OF THE INDONESIAN RESIDENTS TO FLOOD IMPACTED INSURANCE PRODUCTS

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Submitted: 26 November 2021

Revised: 30 December 2021

Accepted: 10 January 2022

Peer-review under responsibility of 7th Asia International Conference 2021 (Online) Scientific Committee

<http://connectingasia.org/scientific-committee/>

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Office # 6, First Floor, A & K Plaza, Near D Watson, F-10 Markaz, Islamabad, Pakistan,

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ABSTRACT

Natural disasters cause casualties, environmental damage, property losses, and psychological impacts. Large-scale natural disasters can result in enormous economic losses. In 2020, almost the entire DKI Jakarta area was flooded and paralyzed all activities in Jakarta. Based on data from the National Disaster Management Agency (BNPB), East Jakarta is a city that is prone to flooding. One of the risk mitigations due to natural disasters is to buy insurance products. Flood insurance is critical because it can replace partially or entirely of the losses incurred. There is insurance due to flooding, including Property Insurance (to protect property such as houses), Health Insurance (to protect post-flood health), Vehicle Insurance (to protect vehicles damaged by flooding), and Life Insurance if it causes death. This research aims to determine the level of understanding of the Indonesian, especially those living in East Jakarta, to the flood-impacted insurance products. The data used in this study are primary data obtained through surveys by interviewing and filling out questionnaires. The results show that the level of understanding of the Indonesian people towards flood insurance products is still low. However, based on the data obtained, the Indonesian population has a high risk of flooding. Therefore, there is a need for education about risk mitigation. One risk mitigation is buying insurance products, especially for flood-prone areas, such as at the locus of this research, East Jakarta, Indonesia.

Keywords: *Flood; Risk Mitigation; Level of Understanding; Insurance Products*