

Development of Sharia Micro Insurance Model at Islamic Boarding School Sunan Drajat



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ABSTRACT: Islamic Boarding School Sunan Drajat is a boarding school with a population of students reaching 12000 plus 20 business units spread across various sectors so that the existence of micro insurance is needed as a form of social security for students and others. This study aims to make a proposed model for the development of sharia insurance that can be developed at the Islamic boarding school in accordance with existing needs. The research method used in this study is a qualitative approach with ANP analysis techniques, the use of ANP analysis techniques aims to determine the extent to which the response from Sunan Drajat stakeholders is in accordance with what is needed. The results show that the micro insurance model that can be applied at the Islamic Boarding School Sunan Drajat is a micro insurance model that is oriented towards the welfare of students, especially in the form of health insurance with an easy, safe and profitable service system so that it can provide guarantees to students.

KEYWORDS: Sharia Micro Insurance, Islamic Boarding School Sunan Drajat

1. INTRODUCTIONS

Islamic Boarding School Sunan Drajat is an Islamic educational institution that has existed for a long time, and still exists, in its development in the modern era, many Islamic Boarding Schools have developed several business units with the aim of providing greater independence to Islamic Boarding Schools, one of the Islamic Boarding Schools is the Sunan Islamic Boarding School. degree.

Islamic Boarding School Sunan Drajat is a boarding school with a population of 1200 students, with several business units such as Sharia Microfinance Institutions, Salt SSD, Aidrat, PT SDL, PPSD Printing, Department Stores and other units. In general, the students at the Islamic Boarding School Sunan Drajat are students who come from lower-middle families, so there are still many students who cannot pay their obligations to the Islamic Boarding School because of economic problems. The students of the Islamic Boarding School Sunan Drajat are also equipped with skills so that they are expected to become entrepreneurial students. Business units in Islamic boarding schools can be used as internships for students, in the process of course there are still obstacles faced by Islamic boarding schools, because Islamic boarding schools must ensure that the 12000 students can be well served, in terms of education, In order to support the economy and health, to support these three things, Islamic boarding schools have been provided in full, for example, from the education sector, formal informal education (recitation of the Salaf) is provided (starting from Ibtidaiyah to tertiary institutions), from the economic sector, business units are provided to support both skills and Islamic boarding school independence, from the Health sector there is a boarding school clinic, but of all that there is one business unit that has not been developed such as Sharia micro insurance, the potential of the institution is very especially in covering the following things, first covering student payments, second covering student health financing, third covering financing students through Islamic microfinance institutions, especially students who have an interest in becoming an entrepreneur. Therefore, the presence of sharia microinsurance aimed at students is very much needed, especially at the Islamic Boarding School Sunan Drajat. The concept difference between microinsurance and general insurance is that micro-insurance has smaller assets and the application of premiums is lighter and easier to afford (Njuguna, 2013:132). Microinsurance schemes can also be an important component in implementing a more comprehensive social protection system because they can also be used as an empowerment for its members, including students (Rahim et al., 2013: 3). Although in its development microinsurance still faces several obstacles, especially in Islamic boarding schools because of several problems such as firstly there is no concrete example of both the model and application of microinsurance for students and stakeholders in Islamic boarding schools, secondly the lack of human resources who can be appointed as managers of Islamic boarding-based micro insurance institutions. Because of these two things, it is necessary to design a development model for Sharia-based micro insurance in Islamic boarding schools. With regard to the

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above background, the researcher formulates a research question, namely How to Design a Sharia-Based Micro Insurance Model that can be applied at the Islamic Boarding School Sunan Drajat .

2. LITERATURE REVIEW

Micro Insurance

The American Risk and Insurance Association defines insurance as an institution that can cover unpredictable losses by transferring risk to insurance institutions. Insurance planning and management usually includes several characteristics such as loss payment, risk transfer, reimbursement and others. Insurance institutions are needed by the community either individually or in groups or institutions. Agustine (2014) describes some general characteristics of microinsurance::

- a. *Microinsurance is insurance that applies the principle of risk collection.*
- b. *Microinsurance is appropriate or suitable for low-income people.*
- c. *Microinsurance targets are people who are in the informal sector.*
- d. *Microinsurance does not depend on the risk class that is determined according to its needs*

Based on the four characteristics above, it can be explained that microinsurance is a social security institution that is very suitable to be applied to the lower middle class including students who incidentally are people who are still under the care of their parents (do not have any income) but already have a lot of expenses, especially for their living and educational needs.

Microinsurance Model

The following is a model of microinsurance and its application in Nigeria (Acha & Ukpong, 2012:83):

- a. Agent Partner Model
An agent partnership model created between micro-insurance providers and agents such as insurance companies, microfinance institutions and others built in the form of gotong royong. The microinsurance provider is responsible for the delivery and marketing of the product to the client, while the agent retains all responsibility for design and development. In this model, the provider's benefits from risk are limited as the risk burden is shared; although this can also be to their detriment as the premium is shared too.
- b. Full Service Model
In this model, the microinsurance provider is responsible for everything; both design and delivery of products to clients. He or she may work with external healthcare providers to provide services. While this model has the advantage of offering full control of the service provider, it also has the disadvantage of incurring higher risks.
- c. Models of Provider Drive
Healthcare providers are microinsurance providers who are responsible for all operations, delivery, design and services. The amount of control retained once again acts as an advantage; while the disadvantages are limitations on products and services.
- d. Community Based / Mutual Model
Under this model, the policyholder or client is responsible for, managing and owning the operation and working with external healthcare providers to offer services. It benefits from the ability to design and market products more easily and effectively. Its basic disadvantage is that it is small in size and the scope of operation it usually requires.

3. RESEARCH METHODS

The population in this study were students at the Islamic Boarding School Sunan Drajat School. The technique in taking samples from the population that has been determined in this study, namely purposive sampling, was specifically determined by the researcher. The sample in this study were students from the representatives of the head of the dormitory at the Islamic Boarding School Sunan Drajat School, this election was taken with consideration because the one who best understood the condition of the students in the field was the chairman of the dormitory at Islamic Boarding School Sunan Drajat School Sunan Drajat. Analytic Network Process (ANP) Method ANP is a research method that is able to describe the level of importance of certain aspects by considering the relationship between sub-criteria and existing criteria. The ANP method is a development of the Analytical Hierarchy Process (AHP) method. There are two types of linkages or connections in the ANP method, namely linkages within a set of elements (inner dependence) and different relationships between elements (outer dependence). In order to obtain priority for ranking alternatives in the decision model, ANP uses pairwise comparisons. A pairwise comparison matrix is formed when comparing pairs or more pairs of elements with respect to a reference element, which remains immutable for all comparisons.

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RESULTS AND DISCUSSION

Implementation of the Analytic Network Process (ANP) for the Micro Insurance Model at Islamic Boarding Schools

Insurance is a guarantee of protection for a certain object, there are several models in insurance including the agent partner model, the full service insurance company model, the community-based model and various other models. This study aims to determine the right insurance model that can be applied in Islamic boarding schools, therefore researchers use the ANP method. The ANP method provides a general framework for dealing without making assumptions about the independence of higher-level elements from lower-level elements and about the independence of elements within those levels.

Comparison of Cluster Analytic Network Process (ANP) and Model Building

1. Destination Cluster Comparison

The establishment of a micro-insurance model at the Islamic Boarding School Sunan Drajat Sunan Drajat has three main objectives, namely, the micro-insurance program, outreach, and welfare impact. The first objective is to implement the micro insurance program launched by AAUI and OJK in the grand design of micro insurance for the community. Second, is to create an insurance design or model that is affordable for students. The final goal is that the existence of microinsurance at the Islamic Boarding School Sunan Drajat is expected to have a positive impact on the independence of Islamic boarding schools and students at the Islamic Boarding School Sunan Drajat Sunan Drajat. The figure below shows the results of the comparison of objectives obtained from ANP processing.

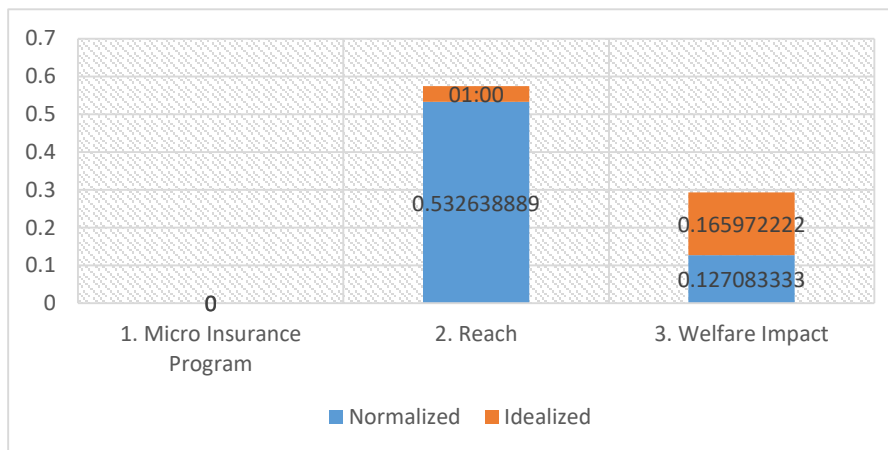


Figure 1.2 Comparison of Objective Clusters

Source: Data processed, 2021

Based on Figure 1.2 comparison of the cluster of goals, it can be concluded that the highest normality and ideality are in the 3rd goal, namely Welfare. The welfare in question is easy access to insurance for students so that students at the Islamic Boarding School Sunan Drajat get health insurance and others. . While the lowest score is in the first goal, namely the micro insurance program with a normality value of 0.050 and an ideality of 0.065 so that it can be explained that students prioritize welfare compared to the micro insurance program or the coverage of the micro insurance.

1. Criteria Cluster Comparison

Cluster criteria is a measure that becomes the basis for setting goals to be achieved in this study. There are eight criteria determined based on theories related to the purpose of microinsurance as shown in the following table:

Table 1.1 Comparison of Cluster Criteria

Criteria	Value
1. Administration	0.400
2. Claim	0.300
3. Premium Price	0.194
4. Product Acquisition	0.059
5. Payment Term	0.056
6. Dependence (Object)	0.048
7. Mediator	0.079
8. Policy Format	0.015

Source: Data processed, 2021

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Based on the table above, the most important criteria according to students is administration with a value of 0.400. Administration is the first priority that students want, meaning that insurance at Islamic Boarding School Sunan Drajat School must implement an inexpensive administrative system so that it is easy to reach.

2. Comparison of Administrative Subcriteria

Administration includes all processes or procedures in microinsurance services from the registration process/policy making, premium payment each period, claims settlement process and all administrative activities required in microinsurance services. The results of the comparison of administrative sub-criteria are in the following table:

Table 1.2 Administrative Subcriteria

Administrative	Value
1. Convenience	0.8123
2. Clarity	0.2145
3. Completeness	0.0518

Source: Data processed, 2021

Administrative sub-criteria have several elements including convenience, clarity, and completeness. Based on the distributed questionnaires, it was found that students preferred ease of administration with a value of 0.8123 compared to clarity and completeness, meaning that students wanted an easy administration system and wanted the use of a student card that could also be used as a policy card or micro-insurance at Islamic Boarding Schools.

3. Comparison of Claim Subcriteria

Claims or insurance disbursement processes are carried out in the event of a loss to the policyholder. The claim process on micro insurance at the Islamic Boarding School Sunan Drajat should not be more than 3 days after the claim document is submitted to the micro insurance company at the Islamic Boarding School.

Table 1.3 Claim Subcriteria

Claim Process	Value
1. On time	0.0554
2. Easy process	0.2541
3. Full cover	0.7419

Source: Data processed, 2021

The main priority in this claim comparison is Full cover. Thus, the micro-insurance company at the Islamic Boarding School Sunan Drajat must be able to cover all student claims.

4. Comparison of Premium Price Sub-criteria

Premium is the amount that must be paid by the policyholder to the provider of micro-insurance products as compensation for the risk coverage that has been determined in the agreement. The premium price for micro insurance should not exceed IDR 50,000, this price has been determined in the grand design of micro insurance.

Table 1.4 Price Sub-criteria

Premium Price	Value
1. IDR 10.000 – 20.000	0.7193
2. IDR 21.000 – 30.000	0.1271
3. IDR 31.000 – 40.000	0.0636
4. IDR 41.000 – 50.000	0.0899

Source: Data processed, 2021

Comparison of premium prices is needed to determine what the range of insurance product prices can afford to be paid by students. The lowest premium price is in the range of Rp. 10,000-, up to Rp. 20,000-, became the most preferred choice with a comparison value of 0.7193. It is only natural for students who do not have their own income to choose the cheapest and most affordable, so the micro-insurance company at Islamic Boarding School Sunan Drajat School must apply a more affordable premium price.

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5. Comparison of Product Acquisition Sub-criteria

Insurance products can be obtained through various parties including from insurance branch offices, pick-up by marketing/insurance agents, through cottage offices, or from parents.

Table 1.5 Comparison of Product Acquisition Sub-criteria

Comparison of Product	Value
1. Parent	0.6171
2. Islamic Boarding School Office	0.2448
3. Pick Up Ball	0.0804
4. Insurance branch office	0.0577

Source: Data processed, 2021

The main priority of fishermen in obtaining products is through agents/marketing by way of being paid directly by parents which is worth 0.6171, with the consideration that students are still supported by parents so that this will make it easier for both parties, both the insurance and Sunan Islamic Boarding School students. Drajat Sunan Drajat.

6. Comparison of Payment Term Sub-criteria

The term of insurance payment can be done all at once or in several periods such as monthly, quarterly, semi-annually and annually.

Table 1.6 Sub-criteria for Payment Term

Term of payment	Value
1. At once	0.1766
2. Monthly	0.1101
3. Quarter	0.0549
4. Semester	0.0549
5. Annual	0.6034

Source: Data processed, 2021

Based on the comparison table above, the majority of respondents chose the annual payment term with a value of 0.6034. This is because the annual period is lighter in paying the insurance premiums, which can be combined with the monthly payments of students at the Islamic Boarding School Sunan Drajat

7. Comparison of Dependent Subcriteria (Object)

Dependents or objects referred to in this study are objects or risks that are insured.

Table 1.7 Comparison of Dependent Subcriteria (Object)

Dependent (Object)	Value
1. Sick Risk	0.7015
2. Risk of Death	0.2257
3. Risk of Loss/Damage of Goods	0.0726

Source: Data processed, 2021

Based on the results of the risk data or object that the students chose the most was the risk of illness with a value of 0.7015 and the lowest value was the risk of loss/damage to students' equipment such as uniforms etc. The majority of students prioritize insurance for illness on the grounds that they want to get health insurance from Islamic boarding schools.

8. Comparison of Mediator Subcriteria

The mediator referred to in this study is the insurance premium payment medium. Payment of insurance premiums can be made in various places and in various ways, either directly or indirectly or by using online facilities.

Table 1.8 Mediator Sub-criteria

Mediator	Value
1. Parents	0.5201
2. Cooperatives	0.2359
3. Pick up the Ball	0.0825
4. Auto Debit Account	0.0660

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5. SMS Banking	0.0529
6. Applications (Internet)	0.0424

Source: Data processed, 2021

The media chosen by the respondents is through parents with a value of 0.5201. Parents were chosen to make it easier for students who are still supported by their parents.

9. Comparison of Policy Format Sub-criteria

The policy is proof of insurance participation, usually the policy is shaped like a certificate, but currently the policy has used a special format

Table 1.9 Sub-criteria for Policy Format

Policy Format	Value
1. Santri Card	0.90
2. Certificate	0.10

Source: Data processed, 2021

The policy format chosen by the respondents in this study was in the form of a student card with a value of 0.90. Santri prefer efficiency so they don't need a lot of cards, so the santri card can be used for all forms of activities at Islamic Boarding School Sunan Drajat School including insurance.

10. Comparison of Alternative Insurance Models

Microinsurance has various models that can be applied including, agent partner model, full service, mutual/community basis, and so on.

Table 1.10 Comparison of Alternative Insurance Models

Insurance Models	Value
1. Santri Insurance	0.4774
2. Full Service	0.2135
3. Agent Partner	0.2135
4. Student Community Komunitas	0.0955

Source: Data processed, 2021

Based on the results of questionnaires and interviews with students, the results in table 1.10 show that the insurance model that is most in demand by students is the Santri Insurance model with a value of 0.4774. The santri insurance referred to in this study is a special insurance model intended for students at the Islamic Boarding School Sunan Drajat Sunan Drajat.

11. Comparison of Alternative Insurance Patterns

Insurance consists of several patterns including insurance without savings, insurance with savings, and insurance with investment. Sharia insurance has an insurance pattern using different contracts, the insurance pattern without contract savings uses only grants and wakalah, while the insurance pattern with savings uses a wadi'ah or deposit contract, and the insurance pattern with investment usually uses a mudharabah contract.

Table 1.11 Comparison of Alternative Insurance Patterns

Alternative Insurance Patterns	Value
1. No Saving	0.0554
2. With Saving	0.2027
3. With Investment	0.7418

Source: Data processed, 2021

The results obtained from table 1.11 show that the pattern of insurance that is most in demand by students is the pattern with investment (0.7418). This is because in addition to getting a guarantee/protection (insurance) product, the policyholder also benefits from the investment made.

12. Comparison of Alternative Insurance Products

Insurance products consist of various types depending on the object insured including health insurance, life insurance, loss insurance, and other insurance.

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Table 1.12 Alternative Insurance Products

Insurance Products	Value
1. Health Insurance	0.4878
2. Life Insurance	0.2078
3. Loss Insurance	0.0911

Source: Data processed, 2021

Based on table 1.12, it can be seen that the insurance product that is most in demand by the students is health insurance with a weight of 0.4878. Meanwhile, the insurance product with the lowest value is the loss insurance product, this is because students in general are students who do not have assets that can be insured.

Analytic Network Process Results on the Micro Insurance Model for Islamic Boarding School Sunan Drajat

The following are the results of the analytical network process data processing that can be used to describe the appropriate micro-insurance model for fishermen.

Table 1.13 Analytic Network Process

Cluster/Criteria/Sub Criteria Results	Results
Goal (Goal)	Well-being
Administration	Ease of administration
Product Acquisition	Parent
mediator	Parent
Dependent/Object	Sick Risk
Police Formal	Student Card Format
Premium Price	IDR 10,000 – IDR 20,000
Pay Term	Annual
Claim	Easy claim
Alternative Insurance Model	Student Insurance
Alternative Insurance Pattern	With Investment
Alternative Insurance Products	Health Insurance

Source: Data processed, 2021

The purpose of this study is to propose a micro-insurance model that is in accordance with the characteristics and needs of students. The objectives related to microinsurance can be viewed from three things, namely the insurance program, coverage, and welfare impact. The results show that the most desirable thing for students is welfare because these students get a sense of security in the learning process at Islamic Boarding School . Meanwhile, for the implementation of administration, students want easy administration, and are directly charged to parents, the object that is most in demand by students is illness, with a one-card system, namely the santri card, with a premium price of 10,000 to 20,000 with an annual payment system under the name santri insurance. Based on some of the explanations above, it can be explained that the micro-insurance model that can be applied at the Islamic Boarding School Sunan Drajat Sunan Drajat is a micro-insurance model oriented to the welfare of students, especially in the form of health insurance with an easy-to-use and profitable service system so that it can provide guarantees to students.

CONCLUSION

Based on the discussion above, this research can be concluded that the micro insurance model that can be applied at the Islamic Boarding School Sunan Drajat is a micro insurance model oriented to the welfare of students, especially in the form of health insurance with an easy, safe and profitable service system so that it can provide guarantees to students.

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