

## **ANALYSIS OF INSURANCE AGENT IN HAJJ & UMRAH TRIP**

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### **ABSTRACT**

Hajj and Umrah trips are important religious activities for Muslims. In carrying out this trip, many pilgrims choose to use the services of a travel insurance agent to provide financial protection and guarantees in unexpected situations. Therefore, it is important to carry out an analysis of the insurance agents involved in the Hajj and Umrah trips. In this writing, it uses the research method of library research by discussing the roles and obstacles that occur in Hajj and Umrah agents.

**Keywords:** Insurance, Hajj, Umrah, Trip

### **INTRODUCTION**

In Indonesia, until now, many people are still not aware of insurance products. Even those who are aware of their needs should still be encouraged to take out insurance. This is probably due to insurance buyers still not understanding about insurance and they lack clear information about insurance products, so that even though they have the desire to be insured, they often postpone it. Seeing this fact, insurance products must be actively informed to the general public. This is of utmost concern to the insurance company that the agent's role as someone who introduces, informs, and explains to the public is very much needed. Philosophically, agents are not only tasked with closing sales to policyholders. More than that, they position themselves as long-term financial consultants for customers. When the insurance policy purchased by the customer has been issued, it does not mean that the agent's job is finished. From then on, they have the duty to consult and maintain good relations with customers.

The large number of Muslims who have decided to perform the Umrah pilgrimage because they cannot leave immediately to perform the Hajj, has made the business of Hajj and Umrah travel service bureaus mushrooming. This is a form of spiritual tourism model that serves

consumers/service users in order to get the convenience of going to the city of Mecca during the Umrah pilgrimage. In accordance with the many requests and interest from users of the services of this privately owned Umrah and Hajj travel agency, the costs of the Umrah are increasing, but of course the costs do not exceed the costs of the Hajj in general, only half of the cost of the Hajj. Namely sometimes around Rp.25,000,000.00,- and some even charge a lower fee. There are also travel agents who do persuasion and offers for families who want to go on pilgrimage.

The amount of business competition from umroh and haj travel agents certainly makes each travel drain the brain and finances so how can you get prospective pilgrims to be able to depart. It seems that the business they are doing is money oriented, of course this cannot be blamed, because any business aims to make a profit. But the concern is whether service management, transparency, honesty and also clear information have been provided to prospective Umrah pilgrims, so that mistakes do not occur which can disappoint prospective pilgrims. Various kinds of services often make people who initially sincerely and try to be able to go for Umrah as soon as possible, due to the too long waiting period for registration and Hajj quotas. For some people, looking for a way out to continue to go on pilgrimage by doing the Umrah pilgrimage. As reported by one of the online media, related to the existence of irregularities that occurred which was carried out by one of the umroh and hajj plus travel in Jakarta. The high public interest in registering has made the owner and director and his wife relatively wealthy. Travel has many ways to attract consumers, one of which is by making several public figure artists as promotional artists, which aim to attract and also increase confidence in the people who want to perform Umrah. Sometimes Umrah travel also provides some sort of promo, for certain consumers they can go on Umrah with an artist, for example.

Apparently, after a while there were many complaints from consumers who used this travel service, which in the end led to criminal acts. A few of the many problems related to the implementation of Umrah and Hajj travel in the country. On the one hand, there is demand from the public for cheap travel costs, on the one hand, travel is also concerned with personal gain, so that in the end, unscrupulous Umrah travellers will easily trick potential service users from the travel. Not all of this was caused by the immoral acts

of the travel party who only pursued profits, the costs that were initially calculated by the travel party suddenly exceeded the actual costs that had to be incurred when carrying out worship. Hotels that suddenly increase hotel rates, costs for supporting matters that cannot be controlled continuously will cause the travel party to lose capital. Instead of making a profit, travel owners have to spend extra money on these unexpected costs. Lack of communication or no good communication between the travel party and prospective Umrah pilgrims often ends in chaos. The travel party has good intentions and endeavors, of course they can and must communicate everything to prospective pilgrims. Because the non-transparency of information can result in a suspicious attitude by the congregation towards the travel party, which can lead to the realm of law.

## **RESEARCH METHOD**

This research uses the library study method, this is done because literature sources are obtained from journals, research reports, information from print media, online, and other sources. The approach in this study uses descriptive qualitative. In this study, researchers seek to provide an overview of the analysis of the principles of Hajj and Umrah agents along with the obstacles they experience.

## **RESULTS AND DISCUSSION**

### **Agent Definition**

Regarding Insurance Agents, in Chapter 1 General Provisions Article 1 paragraph 28 in law Number 40 of 2014 concerning insurance it is stated that insurance agents are people who work alone or work for a business entity, acting for and on behalf of an insurance company or a sharia insurance company. and meet the requirements to represent insurance companies or sharia insurance companies marketing insurance products or sharia insurance products. Based on Law no. 2 of 1992 concerning insurance, an insurance agent is defined as a person or legal entity whose activities provide insurance services for and on behalf of the insurer. Then each insurance agent can only be one agent of one insurance company, and insurance agents are required to have an agency agreement with the

insurance company they are agent for. In general, there are two types of insurance agents, namely independent agents and agents employed by insurance companies. Independent agents are independent companies that are licensed and help market insurance products on a commission basis. Meanwhile, agents employed by insurance companies are individuals who work on a salary and/or commission basis. Insurance agents are registered and licensed to sell insurance products.

Insurance agents are the liaison between consumers and insurance companies. agents are tasked with helping individuals, families, companies, or institutions to plan and finally choose an insurance policy according to their needs. Insurance agents will also accompany the process of identifying and selecting policies to protect personal life, family, health and welfare in the future. Becoming a sharia insurance agent must have several basic attitudes, namely: a sense of responsibility, independence, creativity, always optimistic and not easily discouraged, honest and trustworthy, patient and not panic when experiencing failure. Must also have basic skills such as product knowledge , lobbying skills and abilities, appearance, business network, character and personality, so that an agent is able to market, socialize and educate his insurance products .

### **Agent Role**

There are actually many roles for insurance agents, but there are at least six roles that are important and directly affect the productivity of insurance sales. The following are the six roles of the insurance agent:

#### **1) Initiator**

Initiators are people who take the initiative to do things without being asked or ordered by others. In carrying out his work, an insurance agent is required to be the initiator. Take initiative in many ways, such as prospecting, making appointments, making visits, presenting and closing sales. Initiative is very important to support the success of an insurance agent in his profession as a seller.

#### **2) Connector**

Connectors are people who build long-term relationships with others to establish mutually beneficial cooperation, especially in the form of business. The relationship is built on the basis of recognition, understanding,

acceptance, respect, trust, and bond.

### 3) Communicator

A communicator is a person who conveys a message or information to other people for a specific purpose. In this case, insurance agents are required to have the skills to communicate products and other information to convince prospects to buy insurance products from them. Communication can work well if there is a good and trusting relationship between the insurance agent and the prospect. Because of this, the skills to build relationships and trust with prospects are very important for an insurance agent.

### 4) Motivator

The role of the insurance agent as a motivator is to solicit and encourage prospects in making decisions to buy the products offered. As a motivator, an insurance agent must be able to ensure that the insurance product is a solution to the problems faced and in accordance with the needs or desires of prospects.

### 5) Educator

In the sales process, an insurance agent cannot force prospects to buy the insurance products offered. What an insurance agent can do is point out a problem regarding its economic value. In addition to helping prospects identify problems in the financial sector, as an educator, insurance agents also provide advice, suggestions, and recommendations for using the offered insurance products as a solution.

### 6) Administrator

An insurance agent is a person who carries out the rules, procedures and policies of the company represented in insurance sales. activities of insurance agents as administration of closing sales of life insurance. The role of an insurance agent administrator can also mean managing its activities in good administration.

Islamic insurance agents play a very important role in the development of Islamic insurance business. one of which is in financial planning and risk management for its customers. To overcome the intense competition between Islamic and conventional insurance agents, special tips are needed, namely by providing the best service for customers by offering takaful services that are professionally managed, fair, sincere and

trustworthy. Customer service is not just the ability to provide friendly service. However, services in a variety of products that can help customers complete their affairs in terms of transactions and saving money. For this reason, agents must be more creative in creating innovative products and must dominate the market.

### **Obstacle**

As an insurance agent for Hajj and Umrah travel, there are several obstacles that may be faced. The following are some examples of obstacles that can affect haj and umroh travel insurance agents:

#### **1. Intense competition**

The Hajj and Umrah travel insurance industry can be very competitive, with many insurance companies offering similar products. This intense competition can become a barrier for agents to gain clients and maintain market share. Intense competition in the Hajj and Umrah travel insurance industry can be a significant obstacle for agents. To overcome this barrier, here are some steps that can be taken:

- a) **Competitive offerings:** In order to be competitive, agents must offer competitive insurance products with reasonable premiums and appropriate benefits. This can involve analyzing the market and adjusting pricing strategies to stay competitive.
- b) **Proper market segmentation:** Identifying and focusing on specific market segments can help an agency differentiate itself from competitors. For example, agents may consider targeting specific age groups, groups with special needs, or specific geographic markets.
- c) **Improved customer service:** Offering superior customer service can be a competitive advantage. Agents must provide a good customer experience, with prompt responses to questions and concerns that may arise. Improving communication, availability and trust can help agents win customer loyalty.
- d) **Product innovation:** Innovating in travel insurance products can also help agents compete. For example, agents may add relevant additional benefits, such as additional health coverage, travel delay coverage, or 24-hour emergency assistance services. Providing innovative and

value-added products can make agents more attractive to prospective pilgrims.

- e) **Effective marketing strategy:** In order to compete in a tight market , agents need to develop an effective marketing strategy. This can include online marketing, paid advertising, targeted marketing campaigns, as well as cooperation with business partners such as travel agents or travel agents.
- f) **Strong partnerships:** Building strong partnerships with reputable insurance providers can give agents an advantage over the competition. This can provide access to a more comprehensive range of products and better support in terms of marketing, training and claims settlement.
- g) **Value differentiation:** Creating unique value and differentiating agents from competitors can help attract the attention of prospective pilgrims. This can involve an emphasis on quality of service, reliability of claims, good reputation, or close relationships with travel partners and relevant agencies.

## 2. High premium costs

Some prospective pilgrims may be reluctant to buy Hajj and Umrah travel insurance because of the high premium costs. The high price of premiums can be a barrier for some people seeking insurance protection. The high cost of premiums in Hajj and Umrah travel insurance can be an obstacle for prospective pilgrims. To overcome this barrier, insurance agents need to consider the following steps:

- a) **Product variety offerings:** Agents may offer different types of insurance policies with different levels of protection. By providing several choices, prospective pilgrims can choose the product that suits their needs and budget. Agents may also consider benefit adjustments or additional protections that may affect the premium price.
- b) **Discounts and promotions:** Agents can provide special discounts or promotions to prospective pilgrims to attract their interest. For example, group discounts for families or groups traveling together, discounts for large purchases, or affiliate programs with travel partners that provide additional benefits.
- c) **Education about insurance benefits:** Educating prospective pilgrims about the important benefits of Hajj and Umrah travel insurance can

help them understand the value of protection provided by the policy. A clear explanation of claims and the payment process can help prospective pilgrims feel more confident in considering purchasing insurance.

- d) Cooperation with insurance providers: Agents can negotiate with insurance providers to get more competitive premium prices. Through close collaboration with insurance providers, agents can try to get special offers or discounts that can be passed on to prospective pilgrims.
- e) Flexible premium payments: Offering flexible premium payment options, such as monthly installment payments or interest-free installment offers, can help reduce the financial burden felt by prospective pilgrims. This can make insurance premiums more financially affordable for them.
- f) Quality of customer service: Providing superior and responsive customer service can help prospective pilgrims feel that they are getting value commensurate with the premium they pay . When agents provide good support, clear explanations, and fast resolution of questions or problems, prospective pilgrims can be more motivated to choose insurance.

### 3. Limited knowledge and understanding

Not all prospective pilgrims have adequate understanding of the benefits and protection offered by Hajj and Umrah travel insurance. Lack of knowledge about insurance products or lack of understanding of the claims process and insurance policies can hinder the sales process. The limited knowledge and understanding of prospective pilgrims about Hajj and Umrah travel insurance can be a significant obstacle for agents. To overcome these barriers, agents can take the following steps:

- a) Education and clear explanations: In order for prospective pilgrims to understand the benefits and protection offered by Hajj and Umrah travel insurance, agents need to educate them by providing clear and easy-to-understand explanations about insurance products, the terms used, and the related claims process .
- b) Informative marketing materials: Agents can provide informative marketing materials, such as brochures, leaflets, or infographics, which briefly and clearly explain the benefits of Hajj and Umrah travel



insurance. Such material may include case examples, illustrations, or scenarios that help prospective pilgrims understand how insurance can protect them in various situations.

- c) Outreach and seminars: Holding outreach sessions or seminars on Hajj and Umrah travel insurance can help increase the understanding of prospective pilgrims. Agents can explain directly the benefits and protections offered, as well as answer questions and doubts that prospective pilgrims may have. This session can also be a forum for sharing experiences and testimonials from prospective pilgrims who have used this insurance.
- d) Collaborating with travel partners: Agents can work with travel partners, such as travel agents or Hajj and Umrah travel agents, to provide information about travel insurance to prospective pilgrims.
- e) Responsive customer service: Providing responsive and reliable customer service can help prospective pilgrims feel supported and helped. Agents must provide easy access for prospective pilgrims to contact them, whether by telephone, email, or online chat, and provide a quick response to questions or concerns that may arise.
- f) Patience and repetition: Understanding that prospective pilgrims may need time to understand aspects of Hajj and Umrah travel insurance, agents need to be patient and ready to explain back information that may be difficult to understand.

#### 4. Travel uncertainty

Hajj and Umrah trips involve various factors that can cause cancellations or delays, such as changes in government policies, health conditions, or natural factors. This uncertainty can make prospective pilgrims hesitate to buy insurance because they may feel that the risk of the trip is sufficient. Travel uncertainty in the context of Hajj and Umrah can be a significant obstacle for insurance agents. Some of the steps that can be taken to overcome these barriers are as follows:

- a) Offers flexibility in policies: Agents can develop more flexible insurance policies to accommodate travel changes and uncertainties. For example, they may provide policies with shorter terms, a wider range of delay or cancellation options, and additional protection for unforeseen events.

- b) Inform prospective pilgrims about the risks: It is important to provide prospective pilgrims with clear and accurate information about the risks they may face during the Hajj and Umrah journey.
- c) Active communication: Agents should maintain active communication with their prospective pilgrims, especially when there are significant changes affecting travel. Clear and transparent communication will help build trust and provide a sense of security to prospective pilgrims.
- d) Consider premium or credit refund options: In situations of extreme travel uncertainty, agents may consider premium or credit refund options for prospective pilgrims who cancel their trip. This can encourage prospective pilgrims to buy insurance because they know that there is coverage if the trip is cancelled.
- e) Collaborate with travel partners: Insurance agents can establish close cooperation with travel partners, such as airlines, travel agents, or organizers of Hajj and Umrah trips.
- f) Focus on solutions and benefits: In the face of travel uncertainty, agents must focus on the solutions and benefits offered by Hajj and Umrah travel insurance. They should be able to explain how insurance coverage can help protect prospective pilgrims from financial loss and provide assistance in emergency situations or changes in travel plans.

##### 5. The complexity of the claim process

If there is an insurance claim, a complicated or slow claim process can become an obstacle for prospective pilgrims. If the insurance agent is unable to provide adequate support or prompt settlement of claims, it can damage the reputation of both the agent and the company. The complexity of the claim process is another obstacle often faced by insurance agents for Hajj and Umrah travel. A complicated and lengthy claim process can make prospective pilgrims reluctant to buy insurance or experience difficulties when submitting a claim. To overcome these barriers, agents can take the following steps:

- a) Clear initial explanation: At the time of selling the policy, the agent must provide a clear explanation of the claim process to prospective pilgrims. They must explain the terms of the claim, the documents required, the steps to be followed, and the time required to settle the claim.

- b) Written instructions and guidance: Agents can provide written instructions on the claims process that are clear and easy to follow. This guide can include information about the types of claims, documents required, and steps that must be taken by the prospective pilgrim. This guide can provide clear guidance for prospective pilgrims when they face claim situations.
- c) Assistance in filing claims: Agents can provide assistance and support to prospective pilgrims in the process of submitting claims. They can help prospective pilgrims fill out claim forms, collect the necessary documents, and explain the steps to be taken. By providing this assistance, agents can help reduce the level of difficulty that prospective pilgrims may experience in submitting claims.
- d) Efficient claims process: Agents need to ensure that the claims processes they implement are efficient and responsive. They must respond quickly to claims, answer questions or concerns of prospective pilgrims in a timely manner, and provide updates on the status of claims. By providing a smooth and efficient claim experience, agents can increase the trust of prospective pilgrims and build a good reputation.
- e) Evaluation and improvement: Agents need to periodically evaluate their claims process. They must identify areas that may cause complexity or problems in the claims process, and make necessary improvements. By carrying out continuous evaluation and improvement, agents can improve the quality of their claims process and reduce obstacles that may be experienced by prospective pilgrims.

#### 6. Changes in policies and regulations

Policies and regulations related to travel insurance may change from time to time, both at the national and international levels. These changes can affect the way agents sell insurance products and meet legal requirements, which can be challenging for insurance agents.

#### 7. Trust issues

Some prospective pilgrims may doubt the integrity or reliability of travel insurance agents. They may have doubts about payment of claims, timeliness or quality of services offered. Building strong trust with prospective pilgrims can be a barrier that needs to be overcome.

To overcome these obstacles, Hajj and Umrah travel insurance agents need to strengthen their knowledge of insurance products and policies, provide good customer service, and maintain clear communication with prospective pilgrims. It is also important to ensure transparency in the insurance sales and claims process and promote integrity and reliability in their business.

## CONCLUSION

In the Hajj and Umrah travel insurance industry, there are several obstacles that need to be faced by agents. Intense competition, high premium costs, limited knowledge and understanding of prospective pilgrims, and travel uncertainty are some of the main obstacles that must be overcome. To overcome these obstacles, agents can take steps such as offering competitive offers, appropriate market segmentation, improved customer service, product innovation, effective marketing strategies, strong partnerships, and value differentiation. In addition, agents can overcome the high cost of premiums by offering a variety of products, discounts and promotions, education about insurance benefits, cooperation with insurance providers, flexible premium payments, and good quality customer service.

To overcome the limited knowledge and understanding of prospective pilgrims, agents can provide clear education, informative marketing materials, outreach and seminars, work with travel partners, responsive customer service, as well as patience and repetition in explaining information. Finally, in the face of travel uncertainty, agents need to offer flexible policies, provide accurate information about risks, establish active communication with prospective pilgrims, consider premium or credit refund options, and focus on the solutions and benefits offered by travel insurance. By taking these steps, agents can overcome these obstacles and provide better service to prospective pilgrims, increase their understanding of Hajj and Umrah travel insurance, and achieve success in this industry.

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*SETTLEMENT ON SIAGAKOE PRODUCTS (Study on PT. Asuransi Umum Bumiputera Muda 1967 Syariah Serang Branch) By: Ratu Humaemah and Shifa Fauziah .*