

## ABSTRACT

Insurance companies are required to implement good corporate governance, especially for companies that are included in the State-Owned Enterprises. To carry out good management, the role of the Board of Directors is needed to comply with applicable regulations and in line with the theory of Good Corporate Governance. However, the fact is that there are still problems at PT. Asuransi Jiwasraya, which in managing PT. Asuransi Jiwasraya's investment in shares for the 2008-2018 period has caused state losses of approximately Rp. 16,807,283,375.00. In this regard, it is interesting to study with research questions issues related to the decisions of the Jiwasraya Board of Directors which have caused losses and are included in Ultra Vires actions, the implementation of the principle of Business Judgment Rule as the immunity of the Directors, and the legal responsibilities of the Jiwasraya Directors. Moreover, this study aims to examine the actions of Ultra Vires which can cause harm and to find out the application of the Business Judgment Rule principle and its relation to the responsibilities of the Jiwasraya Board of Directors. The approach method used in this study is juridical-normative, which means studying the relevant regulations. The data used in this study are secondary data obtained from primary, secondary and tertiary legal materials. Data collection was carried out by means of a literature study that is guided by laws and regulations, books, and other materials related to problems in research. Furthermore, these data were analyzed using qualitative analysis methods. Based on the research results, in accordance with the Decision of the Central Jakarta District Court Number 34/Pid.Sus/2020/PN.Jkt.Pst, through the judges' considerations the Jiwasraya Board of Directors has fulfilled the elements of an unlawful act, an act of self-enrichment, and an act of harming state finance. Through this decision it can be understood that there was a violation of Law Number 19 Year 2003 concerning Indonesian SOEs and Law Number 40 Year 2007 concerning Limited Liability Company. In this way, the Jiwasraya Board of Directors has indicated that they have taken Ultra Vires actions which have resulted in the inactivity of the Business Judgment Rule principles and sanctions in the form of personal legal responsibility up to personal assets.

**Keywords: Director, State Owned Enterprises, Ultra Vires, Business Judgement Rule.**