

Research Article

Bancassurance Strategy in Increasing Sales of Sharia Life Insurance Products: A Case Study of Collaboration Between Prudential Syariah and BSI in Medan City

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ABSTRACT

This study aims to analyze the bancassurance strategy in increasing sales of sharia life insurance products through a case study of collaboration between PT Prudential Life Assurance Unit Syariah and Bank Syariah Indonesia (BSI) in Medan City. Using a descriptive qualitative approach, data were collected through in-depth interviews with Financial Service Consultants (FSC), BSI marketing staff, and direct observation of marketing activities in the field. The results of the study indicate that the implemented sharia bancassurance strategy includes placing FSCs in BSI branch offices, an educational approach to customers, product integration (bundling), and utilizing BSI's customer database for targeting. This approach has been proven to be able to increase customer understanding of the benefits of sharia life insurance and has contributed significantly to increasing the number of policies and premium contributions received each month. However, the implementation of this strategy is not without challenges. Among them are the referral-based work system that makes FSC dependent on bank staff in reaching potential customers, as well as the low literacy of the community regarding sharia concepts and values in insurance. To overcome this, it is necessary to increase internal synergy, regular training for marketers, and a sustainable and comprehensive sharia financial literacy.

Keywords: Bancassurance; Sharia Life Insurance; Prudential Syariah; Bank Syariah Indonesia; Marketing Strategy

1. INTRODUCTION

As time goes by, human needs are increasingly diverse and complex, ranging from basic needs to secondary and tertiary needs. This situation encourages every individual to work and strive to meet these needs. However, in the process of fulfilling these needs, various risks often arise, such as job loss, accidents, or other disasters that can disrupt an individual's economic stability. Therefore, a form of protection is needed that can guarantee business continuity and provide a sense of security against various undesirable eventualities. This is where the role of insurance companies becomes crucial, as they can provide guarantees and financial support when risks occur. With these institutions, individuals can conduct their economic activities with greater peace of mind and direction, and still be able to achieve their life goals despite facing challenges and uncertainty (Sikumbang., 2018).

In conventional insurance, the fund management mechanism does not separate participant funds from tabarru' funds; instead, all funds are pooled together and considered the company's property. With this system, the company has complete freedom to manage and invest these funds in various instruments, without considering whether they are halal or haram. Due to this lack of fund segregation, conventional insurance is inextricably linked to elements prohibited by Islam, such as gharar (uncertainty), maisir (gambling), and riba (interest). Furthermore, life insurance participants, even those with savings, do not have the flexibility to withdraw their funds when needed, except in the form of policy loans, which increases the burden on participants and reinforces the inequities inherent in the system (Yusrizal and Lubis., 2020).

Sharia life insurance is an integral part of the Islamic financial industry, which continues to grow in Indonesia. This insurance is run based on Islamic principles such as mutual assistance (ta'awun), shared responsibility (takaful), and the avoidance of prohibited elements such as riba, gharar, and maysir. Since its introduction in the early 2000s, Sharia life insurance has become an alternative financial protection for Indonesian Muslims. However, the level of literacy and public participation in this product is still relatively low when compared to conventional insurance (Setiawan., 2018). The following is the complete data for 2024-2025 according to the Indonesian Sharia Insurance Association (AASI).

Table 1. Development of the Sharia Insurance Industry in Indonesia 2024-2025

Description	Total Assets (Trillion)	Contributions (Trillion)	Claims	Penetration by Population
Sharia Insurance (Total)	46,17	7,40	1,567	0,0353%
Sharia Life Insurance	33,76	6,35	0,975	0,0303%
Sharia General Insurance	9,55	0,78	0,314	0,0037%
Sharia Reinsurance	2,85	0,26	0,278	0,0012%

Source: OJK, processed from the 2024-2025 Sharia Insurance Performance Report by AASI (2025)

According to OJK data, the sharia insurance industry demonstrated positive but still moderate performance. Total assets, contributions, and claims each experienced growth compared to the previous year. Sharia life insurance continues to dominate in terms of both assets and contributions, while sharia general insurance demonstrated the highest asset growth. However, the penetration rate of sharia insurance relative to the national population and GDP remains relatively low, indicating that public utilization of sharia insurance products still needs to be increased. To increase this penetration rate, sharia insurance companies need to strengthen collaboration with other financial institutions, such as through the sharia bancassurance model with sharia banks, and increase public literacy regarding the benefits of sharia-based insurance. With this strategy, it is hoped that sharia insurance penetration will increase significantly in the next few years (Agustina., 2021).

The sharia insurance industry in Indonesia faces various challenges. According to Agustina (2021), the problems faced arise not only from government regulations but also from within the industry itself, society, and the general business environment. Some of the identified obstacles include limited human resource quality and low public understanding of the importance of insurance in everyday life. To expand market share, insurance companies implement various marketing strategies, including for sharia-compliant products. One such strategy is the development of a bancassurance distribution model. Agustina explained that bancassurance is a form of collaboration between banks and insurance companies, where customers tend to be more trusting and willing to purchase insurance products from parties they already know, such as banking institutions. Therefore, the banking sector is currently one of the primary distribution channels for insurance products (Agustina., 2021).

According to Syahriza (2022), meeting customer needs is the primary goal of every company, as customer satisfaction provides various benefits and positively contributes to business sustainability. Besides being crucial for a company's operational continuity, meeting customer needs can also strengthen its competitive advantage in the industry. Customers who are satisfied with the products and services provided are more likely to make repeat purchases when similar needs arise in the future. Thus, customer satisfaction is a key factor driving repeat purchases, which ultimately contributes significantly to a company's sales volume. In the context of sharia, bancassurance is understood not only as a business partnership but also as a form of synergy between Islamic financial institutions to provide added value to customers. Through this model, Islamic insurance products are marketed to bank customers who already have trust in the financial institutions they transact with (Agustina 2021). One concrete implementation of this partnership is the collaboration between PT Prudential Life Assurance Unit Syariah (Prudential Syariah) and Bank Syariah Indonesia (BSI). Although numerous studies have been conducted on bancassurance strategies, there is limited research specifically highlighting the role of the bancassurance business model in increasing Islamic life insurance revenue at the regional level, particularly through collaboration with Islamic banks. This gap is a gap that this study aims to fill in order to provide a concrete picture of the effectiveness of this collaboration model in supporting the growth of the Islamic life insurance industry in Indonesia.

Prudential is an entity of PT Prudential Life Assurance that specifically operates life insurance business activities based on Islamic principles. As part of its efforts to expand sharia-compliant financial inclusion in Indonesia, Prudential Syariah not only offers sharia-compliant protection products but also actively forges strategic partnerships. One important step taken is a collaboration with Bank Syariah Indonesia (BSI), the largest sharia-compliant bank in Indonesia with an extensive distribution network and a large customer base. This collaboration is expected to increase sharia insurance penetration, expand market reach, and bring sharia-based financial services closer to the wider community. To observe the development of its financial performance, below is data on Prudential's asset and premium growth from January to May 2025.

Table 2. Prudential Life Assurance Asset Growth (in millions of rupiah)

Month	Total Assets	Monthly Growth
January	58.384.079	–
February	54.754.771	-6,22%
March	55.350.591	+1,09%
April	56.747.669	+2,52%
May	58.339.785	+2,80%

Source: Processed from the Monthly Financial Report of PT Prudential Life Assurance

The **Table 2**, shows Prudential Life Assurance's asset growth, reflecting the company's financial performance dynamics from January to May 2025. In January, the company's total assets were recorded at IDR 58.38 trillion, which served as a baseline. However, in February, there was a sharp decline of 6.22%, bringing total assets to IDR 54.75 trillion. This decline was likely related to significant investment losses, which were also reflected in that month's income statement. Despite this, the company managed to show a gradual recovery. In March, assets increased slightly by 1.09%, followed by more solid increases in April (2.52%) and May (2.80%), reaching IDR 58.34 trillion. This means that within three months, Prudential managed to restore its asset position to nearly the level at the beginning of the year. This trend demonstrates the company's strong portfolio management capabilities and recovery strategies, despite market fluctuations and pressure on investment returns. This recovery also reflects investor and customer confidence in the company's financial stability. With positive growth, cooperation such as bancassurance has great potential in driving increased revenue for insurance companies. Therefore, the author is interested in conducting research on the formulation of the problem, first, namely knowing the bancassurance strategy in Sharia life insurance at Bank Syariah Indonesia (BSI) in Medan city, second, how effective is the bancassurance strategy in increasing Sharia life insurance products at BSI, and third, what are the challenges faced and the solutions implemented to overcome obstacles, especially in the penetration of Sharia insurance in the community.

2. RESEARCH METHOD

This study uses a descriptive qualitative approach with the aim of providing an in-depth overview of bancassurance strategies for increasing sales of Sharia life insurance products through a collaboration between Prudential Syariah and Bank Syariah Indonesia (BSI) in Medan. This approach was chosen because it allows for a more contextual understanding of the social realities and dynamics of inter-institutional collaboration, while also providing a deeper understanding of the experiences and perceptions of informants directly involved in the Sharia bancassurance program. To collect data, the researcher employed in-depth interviews with a semi-structured approach, participant observation, and supporting documentation. Interviews were conducted with BSI marketing staff and Prudential Syariah agents, known as Financial Service Consultants (FSCs), who work at BSI branch offices. Direct observations were conducted at the research locations to observe the marketing process, education, and agent approaches to customers. Documentation was obtained from brochures, marketing reports, memorandums of understanding (MoUs), and other documents relevant to the research. The data analysis technique in this study refers to the Miles and Huberman model, which includes three main stages: data reduction, data presentation, and conclusion drawing/verification. Data reduction is carried out by selecting, focusing, simplifying, and abstracting data from interviews and observations according to the research focus. Data presentation is done in the form of a thematic narrative to facilitate researchers in understanding patterns and relationships between information. Next, conclusions are drawn inductively through a process of interpretation of the analyzed data, to formulate key findings that answer the research problem formulation. In addition, researchers also apply triangulation techniques to test data validity, namely by comparing the results of interviews, observations, and documentation to obtain credible and valid data.

3. RESULTS AND DISCUSSION

3.1 Bancassurance Strategy Implemented by Prudential Syariah and BSI

The bancassurance strategy implemented by Prudential Syariah and Bank Syariah Indonesia (BSI) is a form of strategic collaboration between insurance institutions and Islamic banks aimed at providing access to financial protection in accordance with Islamic principles. Through this collaboration, Islamic life insurance products can be distributed directly to bank customers through BSI's extensive network spread across various regions. The placement of Prudential's

marketing staff, called Financial Service Consultants (FSCs), in BSI branch offices is one of the main strategies in reaching customers directly. This research involved two key informants who played a direct role in implementing the bancassurance collaboration between Prudential Syariah and Bank Syariah Indonesia (BSI) in Medan City. The identities and descriptions of each informant are presented in the **Table 2**.

Table 2. Research Informants

No	Name	Gender	Age	Occupation
1	Nur Rahmawati	Female	24 y	Financial Service Consultant (FSC)
2	Muhammad Arif	Male	26 y	Marketing Staff of BSI Medan Branch

Source: Primary Data from Interview Results (2025)

Based on interviews with the informants listed in the table, several findings emerged regarding the bancassurance collaboration strategy between Prudential Syariah and BSI. In the interview, Mr. Arif, a marketing staff member at BSI's Medan Branch, explained that this collaboration includes providing space for FSCs, involving them in customer financial literacy programs, and developing joint promotional materials. He added, "We provide a dedicated space for Prudential's FSCs, involve them in customer education programs, and jointly develop promotional materials that combine bank products with insurance." The bundling strategy is one of the most popular approaches for customers because it offers two benefits in one package: a savings plan and life insurance.

An interview with Ms. Nur, a Financial Service Consultant from Prudential Syariah at BSI's Medan Branch, revealed that an educational approach is a key strategy in product marketing. She stated, "We don't just offer products. I usually start by inviting customers to discuss their financial situation, then explain how Islamic financial protection can be a solution." This strategy builds an emotional and logical connection between the FSC and customers, and strengthens awareness of the importance of Sharia-compliant financial planning. The Bancassurance business model is a form of collaboration between banks and insurance companies, where banks market insurance products to their customers. This business model has three main forms: referral, distribution, and product integration. First, in the referral model, the bank acts solely as a liaison by disseminating information or promotional materials from the insurance company to customers, providing marketing space for the insurer at the bank's office, or providing customer data for promotional purposes. Second, in the distribution model, the bank plays a more active role, providing direct explanations to customers about insurance products, including their characteristics, benefits, and risks, both face-to-face and through other communication channels, and then forwarding customer requests to the insurance company. Third, the product integration model is a form of collaboration in which insurance products are combined with bank products (bundled products) and offered as a single package. In this model, the bank not only explains insurance product information but also processes customer applications for the combined product with the partner insurance company (Purba and Maghfiroh., 2022).

Based on field observations, researchers found that the sales process for Islamic life insurance products conducted by Financial Service Consultants (FSCs) follows a systematic process. The first step begins with an introduction, where the FSC establishes initial communication with a new client, usually through a bank representative. This stage is crucial for establishing a comfortable atmosphere before engaging in further discussions. Next, the FSC identifies the client's needs by gathering information about the client's financial goals and objectives. During this process, the FSC helps the client understand their financial priorities, linking them to four life stages: single, young family, established family, and retirement. After gathering sufficient information, the FSC creates a financial plan illustration based on the previous discussion. This illustration serves as a recommendation tailored to the client's needs and financial situation. The illustration is explained in detail so that the client understands the benefits and responsibilities of joining the Islamic insurance program. The next stage is the closing process, where the FSC uses specific techniques such as the NANA (Need, Amount, Now, Authority) method to help the client make an informed and timely decision.

After the customer agrees to participate in the insurance program, FSC proceeds to the sales administration process. At this stage, the customer is asked to complete several important documents, such as a life insurance application form (SPAJ), product illustration, product suitability form, account debit authorization letter, bank staff reference form, contribution transfer form, and photocopy of identification. All these documents are required for the insurance application to be officially processed by the company. The final stage is follow-up, which is the process in which FSC provides further information to the customer regarding the application status, confirmation of policy activation, and the schedule for subsequent contribution payments. All these stages are carried out sequentially to ensure the sales process is effective, transparent, and tailored to the customer's needs.

3.2 Product Strategy and Target Market in Sharia Life Insurance Marketing

Product strategy is a crucial part of the bancassurance implementation between Prudential Syariah and Bank Syariah Indonesia (BSI). The products offered are not only aligned with Sharia principles but also designed to comprehensively address the financial needs of the Muslim community. This strategy is designed to ensure that insurance products are not only economically viable but also socially and spiritually acceptable to BSI customers. Within the context of this collaboration, product development and strategy are based on customer needs data, market evaluation results, and Sharia values, which serve as the primary foundation for implementing Sharia life insurance (Rizkina, 2023). The Sharia insurance products offered through the collaboration between Prudential Syariah and BSI include several types, each with distinct characteristics and benefits, including:

1. PruCinta (PruCinta Syariah): This product is a life insurance product with a 10-year contribution period and a 20-year protection period. This product targets basic medium-term life insurance needs.
2. PruAnugrah Syariah: This product offers life insurance that can also function as an inheritance or retirement plan. Contribution payment terms are available for 5, 10, or 15 years, with coverage extending to age 120.
3. ProTikal Amanah: This product is intended for critical illness protection. This product is relevant for customers seeking additional protection against the risk of serious illnesses that require significant costs.
4. ProSejahtera Syariah (PSAS): This product offers flexible contribution payment terms (5, 15, and 20 years) and provides coverage for 8 years. This product is multipurpose, and can be used for education funding, retirement, and life insurance.
5. ProWell Medical Syariah: A health insurance product that complements BPJS membership, with additional benefits in the form of medical services and broader healthcare coverage.
6. ProGenNext Link Syariah: This product combines life insurance and investment. It is suitable for customers with long-term financial goals, such as planning for children's education, retirement, or inheritance.

All sharia life insurance products offered through the collaboration between Prudential Syariah and Bank Syariah Indonesia (BSI) are run in accordance with sharia principles. Fund management in these products uses tabarru' and wakalah bil ujrah contracts, and are under the supervision of the Sharia Supervisory Board (DPS), which ensures compliance with Islamic sharia provisions. Based on an interview with Ms. Nur Rahmawati, Financial Service Consultant (FSC) for Prudential Syariah, it was discovered that of all the products marketed, three products are most in demand by customers: PRUCinta Syariah, ProSejahtera Syariah (PSAS), and ProWell Medical Syariah. According to her, "PRUCinta is often chosen because of its short contribution payment period, but long-term protection. Meanwhile, PSAS is flexible for protection, education, or retirement fund needs. ProWell complements BPJS, which is why many customers are attracted to it." Customers' choice of these products indicates a tendency to choose insurance that is not only Sharia-compliant, but also offers flexibility, multiple benefits, and the convenience of contributions according to the customer's ability.

The PRUCinta Syariah product is a top choice because it offers a limited contribution payment period of only 10 years, but provides protection for up to 20 years. This product also provides a full contribution refund (100%) if no claims are made during the coverage period. This is considered advantageous by customers because it provides both protection and a refund, making it not only a cost but also a form of safe savings according to Sharia. Meanwhile, the ProSejahtera Syariah product is also quite popular due to its flexibility in contribution payment options and diverse benefits, including life protection, education funding, and retirement preparation. Furthermore, the ProWell Medical Syariah product is a complementary alternative for customers who already have BPJS (Social Security Agency) members, as it provides broader and more convenient additional health coverage. This preference indicates that customers tend to choose products that are long-term, flexible, and offer the dual benefit of protection and potential refunds. These products are considered suitable for people's long-term financial needs, particularly in the context of Sharia-compliant life and health protection.

The primary target market for this strategy is existing BSI customers, particularly those with savings products such as savings plans, sharia deposits, or long-term investments. The FSC and bank staff collaborate to analyze customer data to determine which segments have the greatest potential. This approach is known as data-driven targeting, where information such as customer age, financial goals, and savings amount forms the basis for determining appropriate insurance products. With this strategy, the FSC no longer offers products generically to all customers but instead targets those deemed to have the need and capacity to purchase life insurance. One highly effective strategy is product bundling. Through this approach, customers who open a savings plan at BSI are automatically offered a life insurance package as an additional service. This bundling strategy is highly favored by customers because they perceive they receive both savings and protection benefits in a single transaction. For the bank, this strategy also strengthens customer loyalty because the

products offered are integrated within the banking and insurance systems. In addition to bundling, training for bank and FSC staff is also part of the product marketing strategy. Thus, the product strategy and target market determination in this Sharia bancassurance collaboration can be concluded. Overall, the product strategy and target market implemented in the collaboration between Prudential Syariah and BSI have proven relevant and effective. The approach, which focuses not only on sales but also on education and Sharia values, has resulted in the Sharia bancassurance products being well-received by the public.

3.3 Effectiveness of Bancassurance Strategy Implementation

The effectiveness of the bancassurance strategy implemented by Prudential Syariah and Bank Syariah Indonesia (BSI) can be seen in the tangible results that have emerged since the collaboration began. Interviews with BSI and the FSC Prudential Syariah have shown a positive impact on the increase in the number of policies issued and premium contributions received through the bancassurance channel. This demonstrates that the collaboration between the two institutions is harmonious and has created synergies that support the growth of the Islamic life insurance business. One indicator of success, presented by Ms. Nur Rahmawati, FSC Prudential Syariah in Medan, stated that the effectiveness of the collaboration can be seen in the increase in the number of insurance policies issued, particularly through the approach of bundling products with bank financing services. When customers apply for financing such as KUR (People's Business Credit) or gold installments, the FSC will offer relevant insurance products. This process begins with customer profiling to determine whether they are better suited to standard life insurance products or products linked to gold installments. With this strategy, offers become more personalized and relevant, thus increasing the chance of closing or issuing a policy.

In terms of premium contributions, the Sharia bancassurance product offered through this collaboration offers flexible payment systems. Customers can choose a contribution system that suits their budget, whether monthly, quarterly, or annually. Premium contributions are also quite affordable, starting from IDR 500,000. This scheme makes it easy for customers to participate in the insurance program without feeling burdened. This flexibility has increased customer participation in purchasing insurance products, which has a direct impact on the growth of premium contributions received by Prudential Syariah through the BSI channel. The effectiveness of this bancassurance strategy is increasingly evident in the development of Sharia life insurance participant data over the past six months. In Medan City, there are 11 BSI branches actively implementing this collaboration. Each branch has a FSC tasked with marketing and educating customers about Sharia life insurance products. Data from these branches shows a consistent increase in the number of new customers from month to month.

Table 3. Data on the Number of Sharia Life Insurance Participants per Month (January–May 2025)

Month	Number of New Customers
January 2025	55 people
February 2025	68 people
March 2025	80 people
April 2025	92 people
May 2025	105 people

Source: Internal Documentation of BSI Medan Branch (2025)

The month-over-month increase in the number of insurance participants indicates that the strategic approach implemented by the Financial Service Consultant (FSC) and BSI has successfully increased public awareness and interest in Sharia-compliant life insurance products. This finding is supported by an interview with Nur Rahmawati, who stated that educational strategies and a personalized approach are key to building customer trust. This finding aligns with field observations, which demonstrate the active involvement of bank staff in the information delivery process, as well as documentation from the BSI Medan branch, which records a consistent increase in the number of new customers over the past five months. Furthermore, the bancassurance collaboration between Prudential Syariah and BSI has also contributed to an increase in the bank's non-margin income through a fee-based income scheme. Every insurance product sale made through BSI's distribution channels generates a commission, which serves as an additional source of income for the bank. This not only provides economic value but also strengthens BSI's position as a Sharia-compliant financial institution providing integrated life protection, investment, and financing services. The reputation of both institutions has grown due to their ability to offer comprehensive financial solutions that comply with Sharia principles, while simultaneously expanding public access to safe and reliable Sharia life insurance products.

3.4 Effectiveness of Bancassurance Strategy Implementation

During the collaboration between Prudential Syariah and Bank Syariah Indonesia (BSI) in Medan, several challenges were identified that impacted the effectiveness of the bancassurance strategy. According to an interview with Ms. Nur Rahmawati, a Financial Services Consultant, one of the main challenges lies in the referral-based work system. Under this system, the FSC does not seek out customers directly, but rather relies on referrals from bank staff. This requires a strategic approach and a strong relationship between the FSC and BSI staff, who act as field partners. The interview revealed that each day, the FSC would first discuss plans with bank staff, particularly those in the marketing department, to identify potential customers for follow-up. During this process, the FSC would conduct an initial profile based on data obtained from the bank, such as the customer's occupation, savings account balance, or transaction habits. This ensures a more targeted approach to customers and avoids appearing aggressive. This way, the FSC does not approach them without data, but rather with a strategy planned in collaboration with the bank, creating a professional and focused impression.

Challenges also arose in building relationships with bank staff. Because the system relies on referrals, sales success depends heavily on the acceptance of the FSC by bank staff. FSCs need to engage in a socially engaged manner, establish harmonious working relationships, and gain trust so that bank staff are willing to provide referrals to potential customers. This demonstrates the need for not only technical skills but also strong interpersonal and communication skills. These obstacles, when linked to service marketing theory, point to challenges in the dimensions of intangibility and inseparability, where the service process is highly dependent on the quality of interactions between service providers and partners. To address these challenges, professional service strategies, interpersonal training for FSCs, and improved internal coordination between banks and insurance companies are potential solutions to strengthen the effectiveness of Sharia bancassurance implementation.

Based on interviews with Nur Rahmawati, FSC of Prudential Syariah, she stated that in addition to internal challenges related to the referral system and the relationship between FSCs and bank staff, the implementation of the Sharia bancassurance strategy also faces external challenges, particularly the public's lack of understanding of the concept of Sharia life insurance. Many people do not understand the differences between Sharia and conventional insurance, resulting in negative perceptions that hinder product purchasing decisions. These perceptions include the belief that insurance contains elements of usury (riba), uncertainty (gharar), and speculation (maysir), which are considered inconsistent with Sharia principles. To address the challenges in implementing a Sharia bancassurance strategy, several solutions can be implemented, including increasing human resource capacity, strengthening internal coordination, and developing a service system that supports a more effective referral process.

The first solution is to provide regular training to FSCs and bank staff on understanding sharia insurance products, effective communication techniques, and sharia-based service ethics. This is crucial to ensure that information provided to customers is more structured, consistent, and in accordance with sharia principles. Second, improved coordination between FSCs and bank staff needs to be formalized in the form of standardized work procedures. For example, a scheduled customer referral reporting system should be established and integrated into the bank's information system. With a clear workflow, each party understands their respective roles and responsibilities. This can also encourage the active involvement of bank staff in helping achieve insurance contribution targets. Third, strengthening personal relationships between FSCs and bank staff needs to be fostered through a professional yet humane approach. A spirit of cooperation and mutual trust must be embedded in this collaboration. With a good relationship, the referral process from bank staff will run more smoothly and productively. This is crucial considering that the FSC's work system relies heavily on openness and support from the bank. By implementing these solutions in an integrated manner, obstacles in the referral system, limited access to customers, and the achievement of contribution targets can be minimized. Ultimately, this will increase the effectiveness of the Sharia bancassurance collaboration between Prudential and BSI in Medan.

Furthermore, an external factor facing the bancassurance strategy is the public's low understanding of the concept of Sharia life insurance. The tangible dimension includes the provision of clear and professional educational media, such as brochures, posters, videos simulating insurance benefits, and other visual displays at bank offices. This physical evidence will help explain intangible concepts like insurance. Meanwhile, the assurance dimension relates to the trust and confidence built by the FSC and bank staff in conveying information. The more professional, courteous, and competent the service staff are, the greater customer trust in Sharia insurance products. Furthermore, banks and insurance companies can conduct Sharia financial literacy programs, packaged in the form of mini-seminars, community training, or direct education for customers at branches. Educational materials should not only explain the benefits of life insurance but also highlight Islamic principles such as the tabarru' contract, fund transparency, and the involvement of the Sharia Supervisory Board (DPS). This education will increase customer literacy and trust, thereby changing negative perceptions into a positive understanding of Islamic life insurance.

4. CONCLUSION

The bancassurance strategy implemented by Prudential Syariah and Bank Syariah Indonesia (BSI) in Medan has proven effective in increasing market penetration for sharia life insurance products. This collaboration not only serves as a distribution channel but also strengthens the role of Financial Service Consultants (FSCs) in providing education in accordance with sharia principles. The placement of FSCs in bank branches, a bundling strategy between savings plans and protection products, and persuasive and educational communication are key factors contributing to the strategy's success. Products such as PRUCinta Syariah and ProWell Medical Syariah have become top choices for customers because they provide protection and additional benefits tailored to their needs. This demonstrates that a product strategy responsive to the needs of the Muslim community has significant potential for developing the sharia insurance industry. However, implementing this strategy is not without challenges, such as a referral system that requires close collaboration between FSCs and bank staff, and low levels of public literacy regarding the concept of sharia insurance. Using triangulation analysis, it was found that these challenges can be addressed through improved human resource training, the development of a more structured work system, and the implementation of an Islamic-based financial literacy program. This strategy ultimately not only resulted in an increase in the number of policies and premium contributions but also strengthened the image of banks and insurance companies as providers of trustworthy and Sharia-compliant financial solutions. Therefore, this collaborative model is worthy of being replicated in other regions to expand the reach of Sharia life insurance nationally.

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