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The Effect of Premium Income, Claim Payment, Risk-Based Capital, Investment Return, and Underwriting Result on the Profits of Insurance Companies Listed on the Indonesia Stock Exchange for the 2015-2018 Period

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premium income, claim payment, risk-based capital, investment return, underwriting result, and profit.

ABSTRACT
This study aims to determine the effect of premium income, claim payment, risk-based capital, investment return, and underwriting result on the profit of insurance companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2018 period. The analysis techniques employed were panel data regression with the Common Effect Model, Fixed Effect Model, and Random Effect Model. The results of this study indicate that premium income, claim payment, and investment return have an effect on profits. Meanwhile, risk-based capital and underwriting result has no effect on profit.

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INTRODUCTION

People repeatedly experience uncertainty or risk in life, especially risks that can cause losses, including health, education, business, accident, and aging risks. According to Muhammad Iqbal (2005:3), the risk is part of the reality of human life, so it is difficult to eliminate it from this life. At this time, insurance plays a crucial role in providing protection for people who are commercial or non-commercial. Therefore, entrepreneurs or individuals make coverage for goods, loans, and their lives in anticipating the occurrence of unexpected risks. Thus, it creates the need for reduced risk. The following case is the insurance concept (Agustiranda et al., 2019).

The concept of solving the case above is in line with the definition of insurance according to Arthesa and Handiman (2006:236). They expressed that insurance is one of the non-bank financial institutions in Indonesia that has activities to provide protection for financial losses caused by uncertain events.

Meanwhile, according to the Law of the Republic of Indonesia Number 40 of 2014 concerning insurance, insurance is an agreement between two parties, namely the insurance company and the policyholder, which is the basis for receiving premiums by the insurance company in return for providing compensation to the insured or policyholder due to loss, damage, incurred cost, profit loss, or legal liability towards third parties which may be suffered by the participant or policyholder due to an uncertain event.

Insurance service companies have existed for a long time in the Indonesian economy. To date, twelve companies are listed on the Indonesia Stock Exchange (IDX) as service companies engaged in the insurance sector, which is part of the financial sector. According to data released by the Financial Services Authority (OJK) in 2016, the growing insurance industry in Indonesia has a significant role in supporting the national development process. It can be viewed through the contribution of insurance companies in managing long-term funds to generate profits that are used for development funds performed by the government (Agustiranda et al., 2019).

The goal of every company is, of course, to obtain optimum profit. Profit is one of the essential indicators to assess the success of the company's performance. The company's profit growth identifies that the company's management has succeeded in managing the resources in the company effectively and efficiently.

Table 1.1 Total Profit, Premium and Claim of Insurance Companies for 2015-2018
(Million Rupiah)

Indicator	2015	2016	2017	2018
Profit	769.313	640.773	594.076	435.005
Premium	4.725.564	5.091.156	5.167.569	5.427.700
Investment Return	446.278	385.614	516.891	436.403
Claim	2.313.894	2.493.931	2.407.926	2.535.930

Source: Financial Statements of Insurance Companies.

From table 1.1, it can be seen that the amount of profit earned from 2015 to 2018 has declined. In 2015, the total profit was Rp 769.313 billion. In 2016, total profit decreased to Rp 640.773 billion. Then in 2017, the amount of profit decreased to Rp 594.076 billion. In 2018, the amount of profit declined to Rp 435.005 billion.

The amount of premium income from 2015 to 2018 increased every year. However, the amount of profit earned decreased every year. It means that the amount of premium income did not have a major effect on the amount of profit generated by the insurance company.

Then in 2015 and 2016, the number of claims increased, while the amount of profit earned decreased. It is in line with the theory, which states that if the claim for compensation submitted by the insured party is higher, the profit generated by the company will decrease.

Several factors are considered to affect the profit of insurance companies. The first factor is premium income. Premium income is the amount of money paid by the insured party for the service fee from the protection provided by the insurer in line with the previously agreed agreement (Sastri et al., 2017).

The second factor is the payment of claims. According to Reschiwati and Solikhah (2018), claim payment is the cost incurred by the insurer as a responsibility for the protection benefit provided to the insured based on the risks that have been previously insured.

The third factor is Risk-based Capital. According to Government Regulation No. 63 of 2004 (in Aditya and Rachma, 2013), the risk-based capital health ratio is a measure that informs the level of financial security or health of an insurance company that must be met by a loss insurance company of 120%. The greater the health value of an insurance company's risk-based capital, the more sound the company's financial condition.

The fourth factor is investment returns. Investment is the investment of money to make a profit. Meanwhile, the investment return is basically income from the insurance company's asset investment portfolio. Therefore, it becomes essential for insurance companies to invest in existing assets to meet the need for managed funds. Most insurance companies rely on their investment return to cover the shortfall in premium rates given to the insured (Dhaniati, 2011).

The fifth factor is the underwriting result. According to Fikri (2009), underwriting is the process of rating and classifying the level of risk owned by the prospective insured or a group of people in the coverage of certain insurance products and the decision-making process to take and reject risk. A wise underwriting decision is critical to ensuring that the insurer maintains sound financial capacity and can meet its responsibilities to pay benefits against legitimate claims. Underwriting result is the difference between underwriting income and underwriting expense. A high guarantee result generally indicates a good guarantee process that has been performed. Meanwhile, the decline in underwriting result indicates the worsening of underwriting performance.

This study aims to analyze the effect of premium income, claim payment, risk-based capital, investment return, and underwriting result on the profit of insurance companies on the Indonesia Stock Exchange (IDX) for the 2015-2018 period.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Relationship of Premium Income to Profit

Premium income is the amount of money compensated by the insured party for the service fee from the protection provided by the insurer based on the previously agreed agreement. Premium income received by the company is not only the company's profit but also part of the company's obligations in the future. The amount of the premium must be reserved by the company as a premium reserve. Thus, if a claim occurs in the future, the company will have no trouble compensating it. It is clear that the premium income item in the income statement will increase the insurance company's profit (Sastri et al., 2017).

Ida Ayu Ita Permata Sastri et al. (2017) conducted a study on the Effect of Premium Income, Underwriting Result, Investment Return, and Risk-Based Capital on Insurance Company Profits. This study's result indicated that premium income has a significant positive effect on the level of profit. Hence, if there is an increase in premium income, the insurance company's profit will also increase. Based on the description above, the hypothesis that can be developed is as follows:

H_1: Premium Income Has an Effect on Profit

Relationship of Claim Payment to Profit

According to Safitri and Noven (2017:85), insurance companies have a claim burden that is an obligation and must be paid by the company if participants experience losses. When the company has a high claim burden, the obligation to pay the claim also increases. It will have an impact on the decrease in the underwriting surplus received by the company. The decrease in the underwriting surplus can affect the company's income because the distributed funds will decrease. So, it can be concluded that the higher the claim burden owned by the company will have an impact on the decrease in the insurance company's profit. Based on the description above, the hypotheses that can be developed are as follows:

H_2: Claim Payment Has an Effect on Profit

Relationship of Risk-Based Capital to Profit

According to Government Regulation (PP) No. 63 of 2004 in (Dhaniati, 2011), the risk-based capital health ratio is a measure that informs the level of financial security or health of an insurance company, which must be met by a loss insurance company of 120%. The greater the risk-based capital ratio of an insurance company, the more sound the company's financial condition is.

H3: Risk-Based Capital Has an effect Profit

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Relationship of Investment Return to Profit

Ida Ayu Ita Permata Sastri et al. (2017) examined the Effect of Premium Income, Underwriting Result, Investment Return, and Risk-Based Capital on Insurance Company Profits. This study indicated that investment return has a significant positive effect on the level of profit in insurance companies. Based on the description above, the hypothesis that can be developed is as follows:

H_4: Investment Results Has an Influence on Profit

Relationship of Underwriting Result to Profit

Underwriting result is profits or losses from the main insurance activities obtained from the difference between premium income and underwriting expenses. This underwriting result is one of the variables forming net income and is also used for investment. The higher the underwriting result will increase the amount of profit in the insurance company (Sastri, Sujana, and Sinarwati, 2017).

RESEARCH METHOD

The population in this study was all insurance companies listed on the Indonesia Stock Exchange (IDX), consisting of twelve insurance companies in the 2015 to 2018 period.

The sampling technique used in this research was purposive sampling. Purposive sampling is a non-random sampling technique whose information is obtained with certain criteria. The criteria for selecting the sample in this study are:

1. Insurance companies listed on the IDX consecutively during the 2015-2018 period.
2. Insurance companies that had a complete annual financial report with financial records published four years in a row from 2015 to 2018.
3. Insurance companies that published financial statements in rupiah currency and used the Indonesian language for the period ended December 31.

Based on these criteria, the sample in this study was 11 insurance companies listed on the Indonesia Stock Exchange from 2015 to 2018.

The type of data used in this study was secondary data sourced from company documentation. The data used in this study were the annual financial report data of insurance companies in Indonesia published on the official website of the Indonesia Stock Exchange from 2015 to 2018.

There are 6 (six) variables in this study, consisting of 5 (five) independent variables and 1 (one) dependent variable. As for each variable, the independent variable consisted of premium income, claim, risk-based capital, investment return, and underwriting result. The dependent variable was the Profit Rate.

The following is the definition of each operational variable used in this study:

a. Premium Income
   Premium income is the amount of money compensated by the insured party for the service fee from the protection provided by the insurer in line with the previously agreed agreement. The premium income received by the company is not only the company's profit but also part of the company's obligations in the future. The company must reserve part of the premium as a premium reserve. Hence, if a claim occurs in the future, the company will have no trouble compensating it. It is clear that the premium income item in the income statement will increase the insurance company's profit (Sastri et al., 2017).
b. Payment of claim
   According to Budi (2012), an insurance claim is a claim made by the insured to the insurer for the existence of a binding insurance contract between parties in guaranteeing the payment of compensation in the unexpected event experienced by the insured, which can be claimed if the premium has been paid by the insured party.
c. *Risk-based Capital*
   Risk-based capital is the ratio of capital adequacy to the risk borne and is one of the leading indicators in assessing the soundness of insurance companies, especially those related to solvency or the company's ability to fulfill all its obligations (Dhaniati, 2011).
d. Investment Return
   Insurance basically has a high need for investment income from the investment assets

they have. Good investment management will accommodate the level of investment risk that can be tolerated by the company with appropriate investment returns, which in turn can improve the company's profit and loss performance (Sastri et al., 2017).

e. Underwriting Result
The underwriting result is the difference between underwriting income and claims expenses with operating expenses. Underwriting result measures the level of profit of the insurance business. Underwriting result is one of the variables forming net income and is also used for investment. With the underwriting process, the insurance company will detect the risks that may occur, including how much risk the company can bear (Sastri, Sujana, and Sinarwati, 2017).

f. Profit
The understanding of profit that is generally used to measure company efficiency is operating profit because this profit is a profit that is actually obtained from the company's operating result. Operating profit includes all income and expenses as well as profits and losses originating from ongoing operations or transactions related to the main business. Thus, it can be concluded that profit is the income of the company's main business activities (Zulia Hanum, 2009).

RESEARCH RESULTS AND DISCUSSION

Descriptive Statistical Analysis Results

Table 1 Descriptive Statistics Test Results

	PROFIT	PREMIUM	CLAIM	RBC	IR	UR
Mean	58293.18	996449.4	724844.1	316.3409	105397.6	582783.8
Median	62037.00	660498.0	254515.0	270.0000	44177.50	171623.5
Maximum	521072.0	6585330.	6733879.	1160.000	1361584.	6038934.
Minimum	-1901642.	124465.0	35421.00	71.00000	-1288358.	20939.00
Std. Dev.	322903.4	1427599.	1530041.	217.0460	345894.3	1337737.
Skewness	-5.135087	2.852205	3.037226	2.438792	0.333311	3.174795
Kurtosis	32.44375	10.39955	11.08422	9.696745	12.59090	11.86388
Jarque-Bera	1782.754	160.0384	187.4648	125.8349	169.4547	217.9571
Probability	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	2564900.	43843772	31893142	13919.00	4637494.	25642487
Sum Sq. Dev.	4.48E+12	8.76E+13	1.01E+14	2025686.	5.14E+12	7.70E+13
Observations	44	44	44	44	44	44

Source: Secondary data processed, 2020

From the results of the descriptive statistical test in the table above, profit, premium, claim, risk-based capital, investment return, and underwriting results are in millions of rupiah, indicating that the profit variable had a value range from -1901642 to 521072. It means that the lowest value of -1.901.642.000.000 was owned by PT Asuransi Jiwa Sinarmas (MSIG) in 2015. Meanwhile, the highest value was also owned by PT Asuransi Jiwa Sinarmas (MSIG) in 2017 of 521.072.000.000. Then, the mean profit value was 58.293.180.000 and, the standard deviation value was 322903.4.

The premium variable had a value range from 124465 to 6585330. PT Asuransi Kresna Mitra owned the lowest value of 124.465 million in 2017. Meanwhile, the highest value was owned by PT Asuransi Jiwa Sinarmas (MSIG) in 2015 at 6.585.330 million. The mean premium value was

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996,449,400,000, and the standard deviation value was 1427599.

The claim variable has a value range from 35421 to 6733879. PT Asuransi Dayin Mitra owned the lowest value of 124.465.000.000 in 2018. Meanwhile, the highest value was possessed by PT Asuransi Jiwa Sinarmas (MSIG) in 2015 of 6.585.330.000.000. The mean value of claims was 724.844.100.000, and the standard deviation value was 15.30041.

The risk-based capital variable had a value range from 71% to 1160%. PT Asuransi Bina Dana Arta possessed the lowest value of 71% in 2018. Meanwhile, the highest value was owned by PT Asuransi Jiwa Sinarmas (MSIG) in 2017 of 1.160%. The mean value of risk-based capital was 316,3409%, and the standard deviation value was 217,0460.

The investment return variable had a value range from -1288358 to 1361584. The lowest value of -1.288.358.000.000 was owned by PT Asuransi Jiwa Sinarmas (MSIG) in 2015. Meanwhile, the highest value was also owned by PT Asuransi Jiwa Sinarmas (MSIG) in 2017, which was 1.361.584.000.000. The mean value of investment return was 105397.600.000, and the standard deviation value was 345894.3.

The underwriting result variable had a value range from 20939 to 6038934. PT Tugu Pratama Indonesia possessed the lowest value of 20,939,000,000 in 2018. Meanwhile, the highest value was owned by PT Asuransi Jiwa Sinarmas (MSIG) in 2015 of 6.038.934.000.000. The mean value of the underwriting result was 582.783.800.000, and the standard deviation value was 1337737.

Regression Model Estimation Test

Regression analysis using panel data can be done with estimation methods, namely common effects, fixed effects, and random effects.

Table 2 *Common Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-15218.15	24938.28	-0.610233	0.5453
PREMIUM	0.155877	0.045627	3.416351	0.0015
CLAIM	-0.165625	0.060906	-2.719366	0.0098
RBC	42.95663	76.31426	0.562891	0.5768
HI	0.844959	0.037855	22.32103	0.0000
HU	-0.110513	0.053456	-2.067353	0.0456
R-squared	0.963404	Mean dependent var		58293.18
Adjusted R-squared	0.958589	S.D. dependent var		322903.4
S.E. of regression	65710.18	Akaike info criterion		25.15002
Sum squared resid	1.64E+11	Schwarz criterion		25.39332
Log-likelihood	-547.3004	Hannan-Quinn criter.		25.24025
F-statistic	200.0723	Durbin-Watson stat		2.392860
Prob(F-statistic)	0.000000			

Source: Secondary data processed, 2020

Table 3 *fixed Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-117236.7	61816.05	-1.896541	0.0682
PREMIUM	0.513835	0.112217	4.578956	0.0001
CLAIM	-0.729598	0.090911	-8.025383	0.0000
RBC	-38.51724	94.29597	-0.408472	0.6860
IR	0.947042	0.027997	33.82648	0.0000
UR	0.179711	0.108581	1.655081	0.1091
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.990232	Mean dependent var		58293.18
Adjusted R-squared	0.985000	S.D. dependent var		322903.4

Effects Specification			
Cross-section fixed (dummy variables)			
S.E. of regression	39548.08	Akaike info criterion	24.28371
Sum squared resid	4.38E+10	Schwarz criterion	24.93251
Log-likelihood	-518.2416	Hannan-Quinn criter.	24.52431
F-statistic	189.2382	Durbin-Watson stat	1.937153
Prob(F-statistic)	0.000000		

Source: Secondary data processed, 2020

After the common effect model and fixed effect model were obtained, the Chow test was conducted. The Chow test is a test to compare the best model between the common effect model and the fixed effect model. With the provision that if the probability value is more significant than 0.05, then H_0 of this model is accepted, and H_1 is rejected. Meanwhile, if the probability value is less than 0,05, then H_1 of this model is accepted, and H0 is rejected (Rahayu and Mubarok, 2017). The following are the results of the chow test:

Chow Test

Table 4 *Chow Test*

Effects Test	Statistic	d.f.	Prob.
Cross-section F	7.690545	(10,28)	0.0000
Cross-section Chi-square	58.117619	10	0.0000

Source: Secondary data processed, 2020

The output results showed that the probability values of Cross-section F and Cross-section Chi-square were 0,0000 and 0,0000. The probability value of the Chi-square Cross-section was less than 0,05. Therefore, it can be concluded that the more accurate estimation model is the fixed effect model. The next step was to do a regression with a random effect model to determine which model is right between the fixed effect model and the random effect model.

Table 5 *Random Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-31358.69	22902.84	-1.369205	0.1790
PREMIUM	0.239413	0.046776	5.118289	0.0000
CLAIM	-0.335705	0.056914	-5.898497	0.0000
RBC	7.121962	52.71029	0.135115	0.8932
IR	0.874952	0.024610	35.55301	0.0000
UR	-8.16E-05	0.052590	-0.001551	0.9988
Effects Specification				
			S.D.	Rho
Cross-section random			31157.00	0.3830
Idiosyncratic random			39548.08	0.6170
Weighted Statistics				
R-squared	0.973090	Mean dependent var		31236.41
Adjusted R-squared	0.969550	S.D. dependent var		311809.7
S.E. of regression	54410.85	Sum squared resid		1.13E+11
F-statistic	274.8273	Durbin-Watson stat		2.262424
Prob(F-statistic)	0.000000			
Unweighted Statistics				
R-squared	0.955514	Mean dependent var		58293.18
Sum squared resid	1.99E+11	Durbin-Watson stat		1.276131

Source: Secondary data processed, 2020

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After knowing the results of the random effect model, then the Hausman test was conducted. The Hausman test is used to select the best and most appropriate model between the random effect model and the fixed effect model. With the provision that if the probability value is more significant than 0,05, H_0 is accepted, and H_1 is rejected. Meanwhile, if the probability value is less than 0,05, then H_1 of this model is accepted, and H_0 is rejected. The following are the results of the Hausman test:

Hausman Test

Table 6 *Hausman Test*

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	38.928956	5	0.0000

Source: Secondary data processed, 2020

Based on the results of the Hausman test, it can be concluded that H_0 is rejected and H_1 is accepted. It means that the more accurate estimation model is the fixed effect model.

Hypothesis Test (t-test)

Table 7 T-Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-117236.7	61816.05	-1.896541	0.0682
PREMI	0.513835	0.112217	4.578956	0.0001
CLAIM	-0.729598	0.090911	-8.025383	0.0000
RBC	-38.51724	94.29597	-0.408472	0.6860
IR	0.947042	0.027997	33.82648	0.0000
UR	0.179711	0.108581	1.655081	0.1091

Source: Secondary data processed, 2020

Based on the table above, it can be seen that the premium income variable has a value of t_{coun} = 4,578956 with a probability level of 0.0001 <0,05. These results indicate that the premium income variable has an effect on profit, or the hypothesis is accepted. The claim variable had a value of t_{count} = -8,025383 with a probability level of 0,0000<0,05. This result indicates that the claim variable has an effect on profit, or the hypothesis is accepted. The risk-based capital variable had a value of t_{count} = -0,408472 with a probability level of 0,6860 <0,05. This result indicates that the variable risk-based capital has no effect on profit, or the hypothesis is rejected. The investment return variable had a value of t_{count} = 33,82648 with a probability level of 0,0000<0,05. This result indicates that the investment return variable has an effect on profit, or the hypothesis is accepted. The underwriting result variable had a value of t_{count} = 1,655081 with a probability level of 0,1091 <0,05. This result indicates that the underwriting result variable has no effect on profit or the hypothesis is rejected.

Effect of Premium Income on Profit

Based on the analysis results, the premium income variable had a value of t_{count} = 4,578956 with a probability level of 0,0001<0,05. This result indicates that the premium income variable affects the profit of insurance companies in 2015-2018, or the hypothesis is accepted. The result of this study is in line with previous research, which proved that premium income positively influences company profits.

Premium income is one of the main sources of income for insurance companies that is obtained from contributions from insurance participants. In line with the agreement agreed upon by the insurance company with the participants, the insurance company is enabled to a fee from the management of the fund. The premium income received by the insurance company is partly the company's profit and partly the company's obligation that is reserved for compensating claims in the future. Therefore, the greater the premium income received by the company, the fees earned by the company will increase. It will have an impact on increasing the profits received by the insurance company.

The result of this study is in line with previous research, which proved that premium income has a positive influence on company profits. The research was conducted by M Agung Fikri (2009) and Sastri, Sujana, and Sinarwati (2017)

The Effect of Claim Payments on Profit

The claim variable has a value of t_{count} = -8,025383 with a probability level of 0,0000<0,05. This result indicates that the claim variable has an effect on the profits of insurance companies in 2015-2018, or the hypothesis is accepted.

The claim is expenses that become obligations and must be compensated by the company if there are participants who experience losses. The source of claim payment made by the company is taken from the company's account, originating

from premiums paid by insurance participants managed by the company. Then, it is used to pay claims submitted by insurance participants. Claim payment is a deduction from the company's account and becomes an underwriting expense that the insurance company must compensate. Therefore, the increase in claims has an effect on company profits.

The result of this study is in line with research conducted by Pratiwi and Azib (2018) and Reschiwati and Solikhah (2018).

Effect of Risk-based Capital on Profit

The risk-based capital variable had a value of t_{count} = -0,408472 with a probability level of 0,6860 <0,05. This result indicates that the risk-based capital variable has no effect on the profit of insurance companies in 2015-2018, or the hypothesis is rejected.

In this study, risk-based capital has no effect on company profits, or an increase in risk-based capital does not result in an increase in insurance company profits. It is because there are insurance companies that still have insufficient risk-based capital according to government regulations, which is 120%.

The result of this study is reinforced by previous studies conducted by Andriandini (2013) and Erlinawati (2019), which stated that the risk-based capital variable has no effect on insurance company profits.

Effect of Investment Return on Profit

The investment return variable had a value of t_{count} = 33,82648 with a probability level of 0,0000<0,05. This result indicates that the investment return variable has an effect on the profit of insurance companies in 2015-2018, or the hypothesis is accepted. It means that investment return has an effect on insurance profits. If there is an increase in investment return, insurance profit will also increase.

Insurance companies can take advantage of the income earned from premium income by investing, which is expected to benefit from the investment results. Because the investment made by the insurance company contributes directly to profit, if the investment is profitable, it will affect profits because investment is one of the sources for profit in insurance.

The result of this study is supported and in line with research conducted by M Agung Fikri (2009), Husnul Khotimah (2014), Sastri, Sujana, and Sinarwati (2017), which stated that the investment return variable has a positive influence on the insurance company's profit variable.

Effect of Underwriting Result on Profit

The underwriting result variable had a value of t_{count} = 1,655081 with a probability level of 0,1091<0,05. This result indicates that the underwriting result variable has no effect on profit, or the hypothesis is rejected.

In this study, the underwriting result has no effect on insurance company profits. It shows that underwriting is a company strategy to attract participants who fit the risk criteria borne by the insurance company. Each prospective insurance participant will go through an underwriting process. If the underwriting results come out, then the premium paid according to the policy will come out. However, the management of funds and investments are separated so that underwriting does not affect insurance profits. It is because underwriting is management conducted by companies to attract prospective insurance participants.

This study shows that the hypothesis is rejected. It means that the underwriting result variable has no effect on the insurance company's profit. This research is in line with the study of Wulandari, Wiyono, and Rizal (2019).

CONCLUSION

Based on the results of testing and discussing the effect of premium income, claim, risk-based capital, investment return, and underwriting result on profits at insurance companies listed on the IDX for the 2015-2018 period, the following conclusions can be drawn:

1. The premium income variable has an effect on profit. It is shown from the result of the analysis of the premium income variable having a probability value of 0,0001 less than 0,05 and a t-count value of 4,578956.
2. The claim variable has an effect on profit, with a probability value of 0,0000 less than 0,05 and a t-count value of -8,025383.
3. The risk-based capital variable has no effect on

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profit. It is evidenced by the probability value of 0,6860, which is more significant than 0,05 and the t-count value of -0,408472.

4. The investment return variable has an effect on profit. The analysis result showed a probability value of 0,0000, which is less than 0,05, and a t-count value of 33,82648.
5. The underwriting result variable has no effect on profit. It is evidenced by the probability of 0,1091 more significant than 0,05 and the t-count value of 1,655081.

Suggestions

Suggestions regarding the results of this study include:

1. For internal company parties, it is necessary to maintain risk-based capital so that it is above 120% and uses premium funds well through investment. Therefore, it can be utilized when the amount of claim burden is high.
2. For further researchers, it is recommended to add other variables tested in the research model and develop more samples, including all insurance companies in Indonesia. The selection of variables as the sample will provide accuracy in the research results.
3. For further research, it is expected to use a different and longer time to obtain more accurate research results.

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