Analysis Relates to The Role of Premium Income, Claim Expenses, Investment Result and Risk Based Capital (RBC) Against the General Insurance Companies' Profits Income (Case Study on General Insurance Which Registered in The Indonesia Stock Exchange

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Abstract: *The research purposes were to analyze the effect of Premium Income, Claim Expenses,* Investment Results, Risk Based Capital (RBC) towards Income profits in the General Insurance Industry. Premium Income, Claims Expenses, Investment Returns, and Risk Based Capital (RBC) are often used as independent variables which are thought to have an impact towards company profits that could be measured by ROA as a dependent variable. This research was conducted on general insurance companies that registered on the Indonesia Stock Exchange during the period of 2012 until 2018. The data was obtained through accessing the Indonesia Stock Exchange website. The research sample was selected by Saturated Sampling method where the entire population was included as a sample, so there would be 7 insurance companies that registered on the IDX during that period 2012-2018, namely 49 data which were available used in this research. The analytical technique used in this research was multiple regression analysis. And the results from this research indicate that Premium Income had no affect towards profit income, Claim Expenses had no affect towards profit income, Investment Return had a significant positive affect on profits income and Risk Based Capital had a significant positive affect towards General Insurance Companies that registered on the Indonesia Stock Exchange.

Keywords: Premium Income, Claim Expense, Investment Return, Risk Based Capital, Profits.

INTRODUCTION

Through the agreement of liberalization on financial services in ASEAN member countries in 2015, the Indonesian insurance industry has faced greater challenges and opportunities because Indonesia has a commitment to openness. Theoretically, the relationship between

insurance and economic growth is linked in a causal relationship: economic growth encourages insurance growthor it does conversely if insurance growth it will also encourage economic growth. The above description indicates if the development of the insurance industry in general and particularly in Indonesia, cannot be separated from economic and technological developments. (Wuwungan et al., 2015).

According to Djaelani (2014) which defined that the number of non-bank financial industry players, especially insurance companies has a low percentage of 15% compared to other companies such as financial institutions that hit 29% and pension funds 28% and non-bank financial industry support services 27%, as it shown in this Figure 1. below:
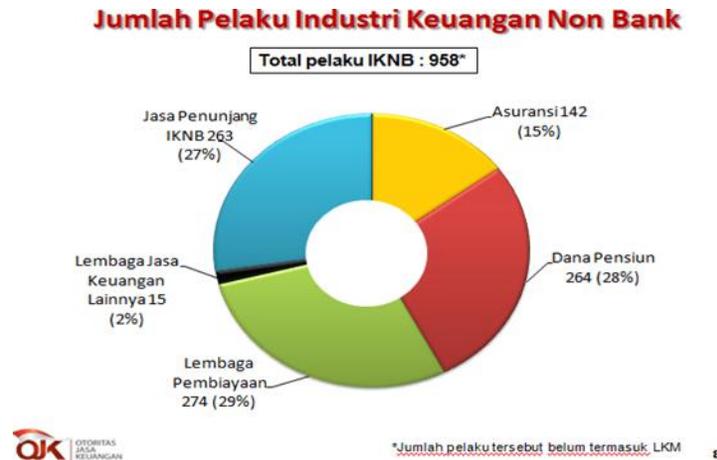

Figure 1. The Number of Non-Bank Financial Industry Players

From Figure 1. above, it shows that the number of insurance industry players is low, so it needs to be investigated further.

However, the development of insurance in Indonesia today has progressed very rapidly after the government issued deregulation in the 1980s. Reaffirmed by the issuance of Law of the Republic of Indonesia Number 2 of 1992 which concerns the insurance business as a non-bank financial institution and its role becoming increasingly important.

The insurance industry has increased every year in line with the increase of insurance minded among the public. The trend shows if the Indonesian people are starting to understand that insurance is part of risk management activities which provide guarantees and protection over someone's property and life, therefore it will have an impact towards its growth in general. Nonetheless, when it is viewed from the development of general insurance industry profits in Indonesia, it still experiences a decline in certain years as illustrated by the graphic below:
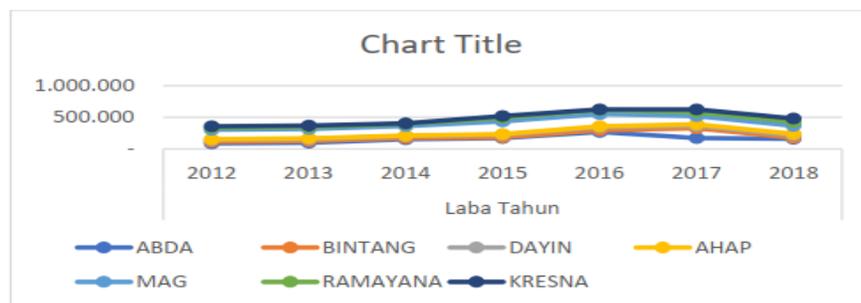
Graphic 1. General Insurance Industry Profit Performance Chart 2012-2018

The graphic above is the profit data from general insurance companies that registered on the Indonesia Stock Exchange (IDX) from 2012-2018. During 2012-2017 the Mitra Kresna Insurance company had experienced an increase in profit but in 2018 they were experienced a decrease. It could be viewed that in 2012-2016 the profit of Ramayana insurance company, Ahap insurance, Dayin insurance and bintan insurance was increased but in 2017 and 2018 Ramayana insurance was experienced a decrease in profit. In insurance companies, the company's profits in 2012-2016 was continued to increase but in 2017 the profits decreased and was bounced back again in 2018.

Premium income is the amount of money paid by the insured party in return for protection services which are provided by the insurer according to the previously agreed agreement. Santi & Qomariyah (2015) Research regarding the profit of Premium Income which has been carried out by several researchers. According to (Suranto & Walandouw, 2018), Premium Income has a significant positive affect on profit.

According to Santi & Qomariyah (2015), the growth of insurance premiums will affect insurance performance, so the greater the growth of premiums, the more money that goes into the company. Thus, it will increase the insurance performance.

Claim expenses are costs incurred by the insurer as a responsibility for the protection benefits which are provided to the insured according to the risks that have been previously insured. The claims expense contained in insurance companies is generally an expense related to disbursement made by customers, including approved claims, claims in the settlement process and claims that have been in effect but have not been reported. The research related to the Claims Expenses on profit has been carried out by several researchers. Which in result Claim expense has no affect towards profit (Nurhayati & Noprika, 2020), while based on Riani (2014) Claim Expenses had a significant negative affect on profit.

According to Nurhayati & Noprika (2020) which stated that investment returns are the results from the operation of insurance companies that collect a certain amount of money to be delivered to insurance participants. Investment returns appear after the investment income was deducted by directly related investment expenses. Companies which invest their assets properly will get high investment returns, so as the companies will be able to increase the number of assets to be reinvested. Research on investment returns on profits has been carried out by several researchers. The investment returns had an insignificant negative affect on profits (Dhaniati, 2011), while according to Nurhayati & Noprika (2020) The Investment Returns had a significant affect on profits.

Risk Based Capital is the ratio of capital adequacy to the risk borne and one of the main indicators in assessing the stability of insurance companies, especially those related to solvency or the company's ability to fulfill all its obligations (Suranto & Walandouw,2018). Based on Regulation of the Minister of Finance of the Republic of Indonesia Number 53/PMK.010/2012, it has been declared that the target solvency level that should be owned by each insurance company is at least 120 percent from the minimum of risk-based capital. Research on Risk Based Capital (RBC) on profits has been carried out by several researchers. Sastri et al. (2017) who explained if the Risk Based Capital (RBC) had a significant positive affect on insurance company profits.

Profits are the achievement value of a company's financial health and its ability to carry out the operational activities to the fullest. Basically, profits are obtained from the process of creating a gap between income and expenses (Nurhayati & Noprika 2020).

According to the business phenomenon and the research gap above, this research was

conducted in order to analyze the affect of premium income, claims expense, investment returns and risk based capital towards general insurance company profits. Elicited from the results of previous research, the authors were interested in conducting the research further.

LITERATURE REVIEW

According to Salim (2012) who stated that the general insurance, in this case including loss and varia insurance, those interest which could be insured is an alleged loss or reduction in economic value arising from fire or theft or damage to the insured property/property.

According to Alamsyah & Wiranto (2017) which defined: "The profit is the value of a company's financial health performance and the company's ability to carry out its operational activities optimally measured in accordance to the nominal scale".

Ainul et al. (2016) define that the profit as the gap between total income which from all assets and total spend in managing all portfolio assets and liabilities. Profit is very important to investors and management as its source of dividends and growth while for the insured and regulator, profit provides an additional security against the bankruptcy. Profit as the difference between the total income from all assets and the total spend in managing the entire asset-liability portfolio. In insurance, what is meant by premium is the payment from the insured to the insurer, as a service fee for the transfer of risk to the insurer. Thus, insurance premiums are:

1. Compensation for the security guarantee which provided by the insurer to insured to estimate the losses that may be suffered by the insured.
2. Service fees for the protection benefits which provided by the insurer by the insured with providing a sum of money against the risk. Insurance premium is an counter achievement from the insured to the insurer as a result of the transfer of the risk of loss to the insurer.

Premium income is the amount of money which paid by the insured party in return for services from the protection provided by the insurer in accordance with the previously agreement. Premium income is the most important element in a company, because income will determine the progress of a company. Therefore, the company should be as much as possible to obtain a satisfactory income and expected to capable to use all available resources in the company as efficiently as possible (Santi & Qomariyah, 2015).

The claim expenses is the cost incurred by the insurer as a responsibility for the protection provided to the insured according to the risks which have been insured previously. If the total claim expense is higher than premium income, then it will reduce the company's profit or worse, the profit post on the financial statements will show a negative balance. However, the increase in the number of claims also does not directly affect the insurance company's losses, but can also indicate an increase in sales and premium income in the future because more people will believe in the ability of insurance companies to pay their claims and will become aware of the importance of insurance to compensate for the losses which suffered by the insured (Nurhayati & Noprika, 2020).

Investment is generally means as putting of the number of funds at current time with hope to earned profits in the future. Investment returns are the results from the insurance company's operations, Then huge amount of money is collected to be distributed to the insurance participants (Ainul et al., 2016).

Risk Based Capital is the ratio of capital adequacy to the risk borne and it is one of the main indicators in assessing the health of insurance companies, especially those related with solvency or the company's ability to fulfill all its obligations (Suranto & Walandouw, 2018). According to the Regulation of the Minister of Finance of the Republic of Indonesia Number

53/PMK.010/2012, it has been stated that the target solvency level that need to be owned by each insurance company is at least 120 percent from the minimum of risk-based capital.

Some of the previous research that are in accordance with this research are as follows:

Table 1. Summary of Previous Research

No	Research Name	Research Variable	Analysis Tools/Research Purposes	Findings Result
1.	Riani (2014)	Independent: Solvency, Premiums, Claims, Investments and Underwriting Dependent: Company Profit	Multiple linear regression analysis	Had negative significant affect
2.	Sastri et al. (2017)	Independent: Premium Income, Underwriting Results, Investment Returns, Risk Based Capital Dependent: Company Profit	Purposive sampling	Had positive and significant affect
3.	Juwita (2017)	Independent: Premiums, Claims, Investments, Underwriting Surplus, Profit Growth Dependent: Islamic Insurance Company Profits	Stationary Test, Multiple Linear Regression Analysis, Classical Assumption Test	Had negative significant affect
4.	Sari (2017)	Independent: Investment Return, Underwriting, Solvency Ratio Dependent: Profit of Sharia Life Insurance Company	Panel data regression analysis	Had positive and significant affect
5.	Marwansyah & Utama (2017)	Independent: Investment Return, Premium Income, and Claim Expenses Dependent: Company Profit	Multiple Linear Regression Analysis	Had positive and significant affect
6.	Putra (2017)	Independent: Income Growth, Assets, Claims Ratio, Risk Based Capital Dependent: Profit	Regresi Data Panel.	Had positive and significant affect
7.	*Nurhayati & Noprika (2020)*	Independent: Premium, Claim Expenses, and Investment Dependent: Profit	Regresi Data Panel	Investment return has an affect on profit, while premiums and claim expenses has no affects

Theoretical Framework

According to the theoretical research which strengthened by previous research, it is suspected that the factors which has affect on profits in general insurance companies, namely Premium Income, Claims Expenses, Investment Returns and Risk Based Capital. Thus the theoretical framework that could be drawn as follows:
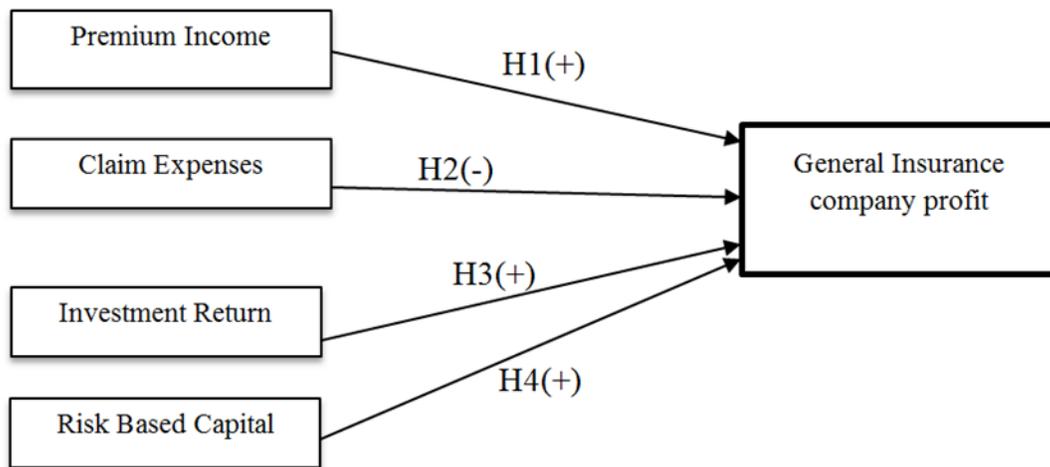
1. The Role of Premium Income on General Insurance Company Profits in Indonesia

Premium income is the amount of money who paid by the insured party for the service fee from the protection provided by the insurer in accordance with the previously 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 (Santi & Qomariyah, 2015). According to Marwansyah & Utama (2017) who stated that premiums had a positive and significant affect on the profits from the insurance companies in Indonesia, so the following hypothesis that obtained was:

H1: Premium income has a positive affect on the profits of general insurance companies in Indonesia

2. The role of Claim Expenses on general insurance company profits in Indonesia

According to Syafrina (2016), the claim expenses is the cost incurred by the insurer as a responsibility for the protection benefits provided to the insured according to the risks that have been previously insured. The claims expense contained in insurance companies is generally an expense related to disbursement made by customers including approved claims, claims in the settlement process and claims that have been in effect but have not been reported. According to the results from the research which conducted by Syafrina (2016) statee that claims expense has a significant affect on profit.

H2: Claim Expenses has a negative and significant affect on the profits of general insurance companies in Indonesia

3. Investment returns has a positive and significant affect on the profits of general insurance companies in Indonesia

Investment is the funds of money for the purpose of earns profits, while the investment returns are basically income from the investment portfolio of insurance company assets (Dhaniati, 2011). The investment return is the result from the operation of the insurance company which collects a sum of money to be distributed to insurance participants. Investment returns are appeared after the investment income is deducted by directly related investment expenses. Companies that invest their assets properly will get high investment returns, Thus it would be able to increase the number of assets to be reinvested. According to the research results by Marwansyah & Utama (2017) that stated if the investment returns has a positive and significant affect on the profits of insurance companies in Indonesia.

H3: Investment returns has a positive and significant affect on the profits of general insurance companies in Indonesia

4. Risk Based Capital has a positive and significant affect on general insurance profits in Indonesia

Risk Based Capital is the ratio of capital adequacy to the risk borne and one of the main indicators in assessing the health of insurance companies, especially those related to solvency or the company's ability to fulfill all its obligations (Suranto & Walandouw, 2018). Based on the Regulation of the Minister of Finance of the Republic of Indonesia Number 53/PMK.010/2012, it has been stated that the target solvency level that need owned by each insurance company and at least 120 percent of the minimum risk-based capital. According to the results from research which conducted by Sastri et al. (2017), Risk Based Capital has a positive and significant affect on profits.

H4: Risk Based Capital has a positive and significant effect on general insurance profits in Indonesia

RESEARCH METHODS

This research were included in quantitative research which was compiled based on the financial statements of 7 general insurance companies that registered on the Indonesia Stock Exchange (IDX). The independent variables used in this research were Premium Income, Claims Expenses, Investment Returns and Risk Based Capital, while the dependent variable was general insurance company profits. The population which used in this research was General Insurance that registered on the Indonesia Stock Exchange during period of 2012 - 2018, which is the general insurance company that created and published annual financial statements during 2012-2018. The sample in this research was selected by the Saturated Sampling method where the entire population was included as a sample (Sugiyono, 2017). Thus there are 7 insurance companies which listed to the IDX during period 2012-2018, namely PT Asuransi Bina Dana Arta, PT Asuransi Multi Artha Guna, PT Asuransi Dayin Mitra, PT Asuransi Ramayana, PT Asuransi Kresna Mitra, PT Asuransi Bintang, PT Asuransi Harta Aman. Thus the total number of data was 49.

Below is a table which shows that the operational definition of each variable used in this research, both as the dependent variable and independent variable. These following are the summary of the operationalization of the variables used in this research:

Table 2. Operationalization Variables

Variable	Variable Concept	Size	Scale
Premium Income (PI)	The amount of money paid by the insured to the insurer	PI= Total Premium Income	Ratio
Claim Expenses (CE)	A number of costs incurred by the insurer on the basis of liability to the insured party.	CE= Total Net Claim Expenses	Ratio
Investment Return	Investment of money or capital in a company or project for the purpose of earnings a profit.	IR= Total of Investment Return	Ratio
Risk Based Capital (RBC)	Seeing the solvency level of the insurance company whether it would be able to bear the risk of claims.	RBC= $\dfrac{Solvency\ Level}{MInimum\ Solvency\ Level\ Limit}$	Ratio

Profit (ROA)	The gap between income and costs in a certainperiod.	Profit= Underwriting Result + Investment Return – Operating Expenses	Ratio

Data analysis that used in this research was descriptive statistics and inferential statistics. Inferential statistics in this research were divided into three stages, namely Classical Assumption Test, Multiple Linear Regression Analysis and Hypothesis Testing. The multiple linear regression model proposed in this research could be explain as follows:

$$Profit = \alpha + \beta_1 Pp + \beta_2 HI + \beta_3 BK + \beta_4 RBC + e$$

Whereas:
PP   = Premium Income
HI   = Investment Return
BK   = Claim Expenses
RBC   = Risk Based Capital
α   = Constant
$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression Coefficient of each BP,
FB, RSe   = Standard error

FINDINGS AND DISCUSSIONFINDINGS

Data analysis from 7 general insurance companies for 7 years, produces data for each variable.To calculated the model parameters with panel data, there are three approaches (model) techniques consisting of Common Effect, Fixed Effect and Random Effect. To choose the best type of panel data estimation model that used in these analysis, the Chow test and Langrangge Multiplier-Breusch Pagan test were needed.

1. Chow Test

The Chow test used to decide whether to use as a common affect or a fixed affect. The hypothesis in these Chow test could be defined as follows:
H_1: Chi Square > 0.05: The model used is common effectH_0: Chi Square < 0.05: The model used is fixed effect

Table 3. Chow Test

Effect Test	Statistic	d.f.	Prob.
Cross-section F	15,049846	(6,38)	0.0000
Cross-section Chi-square	59,622117	6	0.0000

Source: Data of Research

Based on the results of data processing in the Chow test above, the Chi Square probability value of 0.0000 is less than = 0.05, so the model estimation approach follows the fixed effect model. In other words, the fixed effect model is more appropriate to use in estimating panel data than thecommon effect model one.

2. Hausman Test

Hausman test is a test that used to determine whether the most appropriate model is fixed or random effect model. To see the selected model, it could be seen from the random cross section probability value in the Hausman Test, with these following conditions:

a. If the probability is < 0.05, then H_0 was rejected and H_1 was accepted, which means that the fixed effects model is used.
b. If the probability > 0.05 then H_1 was accepted, which means the random effect model is used.

Table 4. Hausman Test

Test Summary	Chi-Sq Statistic	Chi-Sq.d.f	Prob.
Cross-section random	12,104215	4	0,0166

Source: Data of Research

According to the data processing result from the Hausman test above, the Chi Square probability value of 0.0166 less than = 0.05, so it could be said that H_0 was rejected and H_1 was accepted meaning that the model estimation method was following the fixed effect model which is more appropriate in order to calculated the panel data compared to random effect models.

Classic Assumption Test
Classical assumption tests that used in this research are normality test, autocorrelation test, heteroscedasticity test and multicollinearity test.

a. Normality Test
Normality test was carried out to reveal whether in one of regression model, an independent variable and dependent variable or both have a normal or abnormal distribution. In this test, the Jarque-Bera test (JB-test) was used.
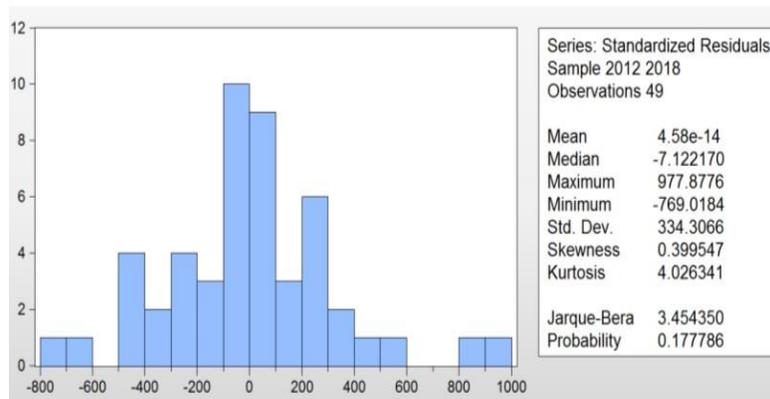

Figure 2: Normality Test

According to the Jarque-Bera test (JB-test) above, the probability value was 0.177786 which greater than = 0.05. This shows that the data is normally distributed.

b. Autocorrelation Test
Autocorrelation test aim to examine the presence or absence of autocorrelation, then TheDurbin-Watson (DW) test need to carried out by following these conditions:
- If du < DW < (4-du), it means that there is no autocorrelation
- If dl < DW < du or (4-du), it means that it cannot be concluded.

Table 5 Autocorrelation Test

R-squared	0,938142	Mean dependent var	11689,67
Adjusted R-squared	0,921864	S.D.dependent var	1344,149
S.E of regression	375,7282	Akaike info criterion	14,89035
Sum square resid	5364525	Schwarz criterion	15,31505
Log likelihood	-3.538.137	Hannan-Quinn Criter	15,05148
F. statistic	5,763114	Durbin-Watson stat	1,727668
Prob. (F-statistic)	0,000000		

Source: Data of Research

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According to the results of the Durbin-Watson test in table 4.8 above, it shows that the DW value was 1.727668, then compared to the table value that using a significant value of 5%, the number of samples (n) 49 and the number of independent variables (k) 4, then the Durbin-Watson table will get value (dl) of 1.3701 and (du) of 1.7210. From this range, the value of 4-du (4-1.7210) = 2,279. The DW value (1.727668) was greater than the limit (du) 1.7210 and smaller than the value(4-du) 2.279, so there is no autocorrelation occured.

c. Multicollinearity Test

Multicollinearity test in this research was performed by calculating the correlation coefficient between the independent variables. If the correlation coefficient is more than 0.80 then multicollinearity occurs in these model (Widarjono, 2009).

Tabel 6. Multicollinearity Test

	Premium Income	Claim Expanses	Investment Return	Risk Based Capital
Premium Income	1,000000	0,716064	0,738494	0,017682
Claim Expanses	0,716064	1,000000	0,752299	0,063694
Investment Return	0,738494	0,752299	1,000000	0,150889
Risk Based Capital	0,017682	0,063694	0,150889	1,000000

Source: Data of Research

In the end according to the multicollinearity test above, all coefficients was < 0.80, then it could be said if there is no multicollinearity occured.

d. Heteroscedasticity Test

Through this research which using the Breusch-Pagan method. The heteroscedasticity could be seen from the chi-square probability value > > 5%, which means that there is no heteroscedasticity (Widarjono, 2016).

Table 7. Heteroscedasticity Test

F-statistic	0,652591	Prob.F(4,34)	0,6290
Obs*R-squared	2,780748	Prob.Chi-Square(4)	0,5952
Scaled explained SS	2,313811	Prob.Chi-Square(4)	0,6783

Heteroscedasticity Test: Breusch-Pagan-Godfrey

Based on the heteroscedasticity test above through the Breusch-Pagan method, it was known that the Prob. Chi-square on Obs*R-Squared (0.5952) > 0.05; then it means there is no heteroscedasticity occured.

Model Feasibility Test (F Test)

The F test was conducted to see whether all the independent variables included in the model were feasible to explain the dependent variable.\

Tabel 8. Model Feasibility Test (F Test)

R-squared	0,938142	Mean dependent var	11689,67
Adjusted R-squared	0,921864	S.D.dependent var	1344,149
S.E of regression	375,7282	Akaike info criterion	14,89035
Sum square resid	5364525	Schwarz criterion	15,31505
Log likelihood	-3.538.137	Hannan-Quinn Criter	15,05148
F. statistic	5,763114	Durbin-Watson stat	1,727668
Prob. (F-statistic)	0,000000		

Source: Data of Research

Elicited from the F test above, the probability (F-statistic) of 0.000000 was smaller than the significant level of 0.05, so it could be interpreted that the estimated regression model was feasible to use and able to explain the affect cause by premium income, claim expenses, investment returns and risk based capital (rbc) on company profits.

t-Test

Partial coefficient test or t-test is used to reveal whether those partialy independent variable has a significant affect or not towards its dependent variable. A variable could be said to have a significant effect on the dependent variable when its value of the probability (p-value) of each independent variable are less than the significant level = 5%. The t-test result from this research can be viewed from the table below:

Table 9. t-Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4813,078	4977,681	0,966932	0,3397
Premium Income	0,261709	0,288551	0,906977	0,3701
Claim Expanses	0,390745	0,158092	2,471627	0,1807
Investment Return	0,17363	0,132134	1,314044	0,0196
RBC	0,609946	0,381578	1,598484	0,0282

Source: Data of Research

Based on the T-test result above, through predetermined criteria, it could be said that the roleof the independent variable on the dependent variable is as follows :
1. The role of premium income on profit
   According to the table above, it could be seen that the results from this examine towards the premium income variable on profit show that the p-value was greater than the significance level (0.3701 > 0.05), so H_0 was accepted. Meaning that premium income has no affect on the profitsof public companies in Indonesia.

2. The role of Claim expense towards profit
   Claim expense on profit has shown that its p-value was 0.1807, that the p-value was greater than the significant level (0.1807 > 0.05), then H_0 was accepted. Meaning that the claim expense has no affect on the profits from general insurance companies in Indonesia.
3. Investment returns
   Investment return on profit has shown that its p-value was 0.0196, so that the p-value was smaller than the significance level (0.0196 < 0.05), then H_3 was accepted. Meaning that investment returns could affect the profits of public companies in Indonesia.
4. Risk Based Capital on profit
   Risk Based Capital (RBC) on earnings shows a p-value of 0.0282, that the p-value is smaller than its significance level (0.0282 < 0.05), then H_4 is accepted. This means that risk based capital (RBC) has an affect towards the profits from general insurance companies in Indonesia.

Coefficient of Determination Test

The coefficient of determination test has purposes to see those percentage from the influence of the independent variable towards its dependent variable. The results from these coefficient of determination test could be seen through these table below:

Table 10. Coefficient of Determination Test

R-squared	0,938142	Mean dependent var	11689,67
Adjusted R-squared	0,921864	S.D.dependent var	1344,149
S.E of regression	375,7282	Akaike info criterion	14,89035
Sum square resid	5364525	Schwarz criterion	15,31505
Log likelihood	-3.538.137	Hannan-Quinn Criter	15,05148
F. statistic	5,763114	Durbin-Watson stat	1,727668
Prob. (F-statistic)	0,000000		

Source: Data of Research

According to the coefficient of determination test, it was found that the variables of Premium Income, Claim Expenses, Investment Returns and Risk Based Capital (RBC) against the Profits of General Insurance Companies in Indonesia have an affect on profits around 92.18%, while the remaining of 7.82% was determined by other factors outside this research model.

DISCUSSION
1. The impact of Premium on Profit
According to the research which conducted relates to the premium income variable, it shows that H_0 was accepted and H_1 was rejected so the premium income has no affect on profit. This because the customer has decided unilaterally to pay the premium before the payment period was complete. So the premium paid by the customer is not full, while the premium payment paid by the customer at the beginning is automatically deducted for payment of fees and administration at the general insurance company, Thus the premium income is not as expected. This is why that makes the premium income have no affect at all towards the profits of general insurance companies in Indonesia.

Premiums has no affect on profits because the size of the increase in premium income between insurance companies has a very varied range and depends on the company size. The Companies which has a large size will have a tendency of large premium income, though the growth rate is small. And conversely, the companies which has small sizes though they have large premium growth, the amount of premium income is still lower than those of large companies. In other word that the size matter still influential than the growth rate. The results from this research were in line to the research from Ainul et al. (2016) which shows that the premium income obtained by insurance companies has less premium income than the costs incurred by insurance companies. That is why makes the premium income have no affect on profits.

2. The impact of Claim Expenses on Profit

According to the research conducted relates to the claim expense variable, it shows that H_0 was accepted and H_1 was rejected so the claim expense has no impact on profit. This because the majority of claim payments use re-insured claims and the company's own retention is not greater than the reinsured, so the claim expense has no effect on profit. This is also due to the share of claims expense for small companies so it has no impact towards profits. These research results were in line with Riani (2014) which states that if the claim expenses borne by the insurance company is small, then it will not affect the profits. These results were also in accordance with Juwita (2017), which states that claim expenses have no impact on profits.

3. The Impact of Investment Return on Profit

According to the research which conducted relates to the investment return variable has shows that H_0 was rejected and H_3 was accepted, so the investment returns has a positive impact on profit. The regression equation test result was indicated if the investment returns increases, then it will happen to profit increases aswell. This shows that the investment returns are partially useful in predicting the profits of general insurance companies in Indonesia. The high return on investment will increase the income component of the insurance company's income statement, which in turn it could enhance the profit from general insurance companies in Indonesia.

The research also were in line with the research from Nurhayati & Noprika (2020) which states that investment returns have a significant simultaneously affect on profits in positive ways.

4. The Impact from Risk Based Capital on Profit

Seeing through the research conducted relates to the investment return variable shows H_0 was rejected and H_3 was accepted, then investment returns had a positive impact on profit. The results from the regression equation test have indicated that if the investment returns increase, the profit increases. This is shows that the investment returns are partially useful in predicting the profits of general insurance companies in Indonesia. The high return from the investment will increase the income component of the insurance company's income statement, which in turn would increase the profit of general insurance companies in Indonesia. These research results were also according to theresearch conducted by Sastri et al. (2017) which stated that investment returns has simultaneously affect in positive way towards profits.

CONCLUSION AND RECOMMENDATION
Quoted from the analysis results and its discussion on this research, these following conclusions that could be drawn such as:
1. Premium income had no significant affect on the profits from general insurance companies in Indonesia. Which means that the premium income has no capable to enhance the profits on general insurance companies in Indonesia.
2. Claim Expenses had no significant affect on the profit from general insurance companies in Indonesia. This could be means that the claim expenses is unavailable to reduce the profit of general insurance companies in Indonesia.
3. Investment returns had a significant positive affect on the profits of general insurance companies in Indonesia. This could be means that an increase in investment returns could easily increase the profits from general insurance companies in Indonesia.
4. Risk Based Capital (RBC) had a significant positive affect on the profits of general insurance companies in Indonesia. This could be means that the greater the risk based capital, the greater the profit earned by general insurance companies in Indonesia.

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