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THE INFLUENCE OF PREMIUM INCOME, UNDERWRITING AND INVESTMENT RESULTS ON PROFITS TOWARDS JOINT VENTURE GENERAL INSURANCE COMPANIES IN INDONESIA

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Abstract: The purpose of this research was to analyzed the influence of premium income, underwriting and investment returns on profits towards joint venture general insurance companies in Indonesia. The samples that were used was 8 joint venture general insurance companies with a purposive sampling technique, including: PT ACE Jaya Proteksi, PT Allianz Utama Indonesia's Insurance, PT AIG Insurance Indonesia, PT Mandiri Insurance AXA General Insurance, PT Asuransi MSIG Indonesia, PT Asuransi Sampo Japan Nipponkoa Indonesia, PT Asuransi Tokio Marine Indonesia and PT Asuransi QBE Pool Indonesia. The data used in this research were obtained from the 2011-2016 Indonesian insurance report. And The analysis technique which used in this research is panel data regression. The results of the research were using the fixed effect model found that premium income and underwriting results had a significant positive influences towards the profits of joint venture general insurance companies in Indonesia, while investment results showed no any effect towards its.

Keywords: Profits, Income, Premiums, Underwriting Results, Investment Returns.

INTRODUCTION

The development of the insurance industry around the public at this time provides the concrete evidence about the benefits itself. The life risk unfortune of life that couldnt be avoided such as the risk of accidents, death and others make people search ways out to avoid or divert the risks of those uncertainty risk,one of them by the insurance. Alongside the

development of the business world, the insurance industry in Indonesia also shows a very rapid growth, both general insurance and life insurance. This supported by the large of population in Indonesia, which provides great opportunity for the development of the insurance industry in future. Beside the fastest growth of population, the profit growth factor of each insurance company is also seen as worth of concern, because the profit growth is increasing from year to year which is proving that insurance companies are positively accepted by the public. An Increased profit growth also shows that people's interest in having insurance products. The growth of the insurance industry in Indonesia could be seen from the 2015 Indonesian Insurance data below.

Tahun / Year	As. Umum & Reas./ Non Life Ins. & Reins.	Pertumbuhan/ Growth	Asuransi Jiwa/ Life Insurance	Pertumbuhan/ Growth	Asuransi Sosial/ Social Insurance	Pertumbuhan/ Growth	Asuransi Wajib/ Mandatory Insurance	Pertumbuhan/ Growth	Jumlah/ Total
2011	38,83	21,2%	93,99	24,4%	6,75	17,8%	13,54	14,7%	153,13
2012	44,91	15,7%	107,94	14,8%	7,81	15,7%	15,23	12,5%	175,89
2013	53,19	18,4%	113,22	4,9%	10,35	32,5%	16,31	7,1%	193,06
2014	54,67	2,8%	112,88	-0,3%	69,44	570,9%	10,29	-36,9%	247,29
2015	60,25	10,2%	135,13	19,7%	88,97	28,1%	11,21	8,9%	295,56

Picture 1. Gross Premium by Type of Business 2011 - 2015 (in billion rupiahs)

Source: Indonesian Insurance Data

Based on the table above, it could be seen that the gross premium growth shown by all types of insurance companies in recent years has improved performance but when seen in general insurance in 2013-2014 the gross premium growth has decreased quite high, from 18.4% to 2.8%. This might be a decreases amount of premium income which received by insurance companies. As for insurance companies, the premium growth of each product portfolio is one indicator in making a profit.

Insurance company income based on premiums collected from policyholders. The policyholder's obligation is to pay a premium in a certain amount in accordance with the provisions. This premium is a source of income for insurance companies which will be collected with premiums to all insurance customers to cover any claims that occur. The phenomenon which occurs when among general insurance companies shows that local general insurance companies host their own country. Several domestic insurance companies owned by domestic investors dominated the acquisition of premiums in 2016. The Financial Services Authority (OJK) noted, throughout 2016 the total gross premiums of general insurance reached 53.25 trillion. On that amount, local insurance companies control by market share. The Research conducted by Ida (2017) states that the premium income has a significant effect on insurance profits, but opposite to research was conducted by Fikri (2009)

which shows that there is no influence between premium income on insurance company profits, therefore there's no resulting in consistencies.

Aside from insurance premium income, the most important aspect in increasing company profits in insurance field is underwriting. With the underwriting process the company will find out how much the potential risk will occur, including the company's ability to bear the risk. Not all submissions from customers will be immediately approved, but there will be a process step further to the customer being approved in the submission. Mutmainnah's research (2015) states that underwriting results have a significant positive effect on insurance company earnings. Whereas Dhaniati (2011) states that the underwriting ratio variable has no influence on profits towards insurance company.

This shows that the underwriting ratio is partially less useful in predicting the profits of insurance companies, which means that if the value of the underwriting ratio rises, it will reduce the amount of profit the company interest. The results of this research are consistent with the research was conducted by Niken (2005), that the underwriting ratio does not influence the interest, theres no resulting in consistencies.

Based on those phenomenon and research gap that has been explained above, this research further test how the premium income, underwriting results and investment returns will be examined as factors which affecting the profits of insurance companies specifically the joint venture general insurance companies in Indonesia.

LITERATURE REVIEW

Insurance

Insurance as a tool to reduce financial risk by collecting sufficient exposure units, to make predictable losses borne evenly by those who are members (Mehr & Cammack, 1981). Meanwhile, according to Keegan (2005) insurance as an economic institution that aims to reduce risk, by combined the management of a number of objects that are quite large in number, so that the overall loss could be predicted within certain limits. Then Koontz, et. al. (1987) defines that insurance based has two points of view 1) insurance is a security against financial losses carried out by an insurer, and 2) insurance is an agreement with which two or more people or entities collect funds to cope with financial losses.

Profit

Yusuf (2014) defines the profit as the difference between total income from all assets and total expenditure in managing all portfolio assets. Meanwhile, according to Brigham and Joel in Erika (2013) states that profits are changes in equity in a period after adjusting for capital (for example, investment by the owner) or distribution of capital (for example, dividends) that exceeds investment. Dian (2012) defines that the economic profit as a series of events that are connected with different stages, namely the enjoyment of psychological profit, real profit, and money profit. While Belkaoui (2006) states that accounting profit is operationally defined as the difference between realized income which coming from a transaction period and related to historical costs.

Premium Income

According to Arief (2014), defining the premium income as amount of money who paid by a policyholder to an insurance company in connection with the insurance agreement as outlined in the insurance policy. Mulyadi (2013) added that the premium is the price for the risk insurance that is borne by the guarantor for a certain risk, at a certain place, and for a certain period of time as well. While insurance premiums according to Sigit (2006) are obligations of the insured party to the guarantor in the form of periodic payment of certain amounts of money.

Underwriting Results

According Purba (2002) conveyed the results of underwriting is the profit / loss from the main insurance activities obtained from the difference between underwriting income (premium income) with underwriting expenses. This underwriting result is one of the variables forming net income and also used for investment. Meanwhile according to Sulastria (2004) states that the results of underwriting is supporting report summary income / loss. The Components of the results of underwriting are premium income, claim expenses, and commission expenses.

Investment Results

Investment result could be a measured of the good or bad of a company is in which on the insurance company can be used as form of a portfolio. According to Sula (2004), a portfolio is a bunch of integrated investment forms aimed at obtaining investment returns. An Investment income is so called the yield that is an income in the form of interest or dividends expressed as a percentage obtained from investment returns. While Rahmadi (2015) said that investment returns was determined by revenue sharing from deposits, profit (loss) on shares trades, rental income from buildings, and foreign exchange differences, interest income and dividends, where both interest income and dividends are recognized at the time of the transaction not by the time of receipt of cash.

Prior Research

The Result research who conducted by Sastri (2017) found the positive influence on premium income variables in insurance company's profits. Premium income is the main source of income for insurance companies. therefore, the size of the acquisition of premiums will affect profit growth. The results of this research are consistent with research whose conducted by Dhaniati (2011), Andriandini (2013), Dipoyanti (2014), Riani (2014) and Mutmainnah (2015). However, the results of this result opposited with research whose conducted by Fikri (2009) which states that premium income does not have a significant influence on insurance companies's profits.

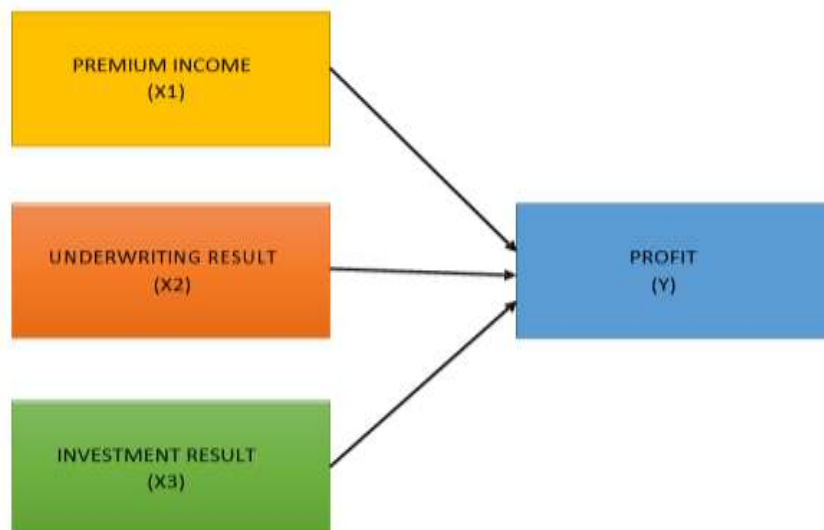
Sastri's research (2017) found that there was a significant positive effect between underwriting results variables on insurance company profits. When underwriting income at an insurance company is able to cover all of its underwriting expenses, there will be excess

funds called underwriting results, where high underwriting results will affect the profits amounts at the insurance company. The results of this research were consistent with research whose conducted by Mutmainnah (2015), but the results of this research opposite the research whose conducted by Niken (2005), Dhaniati (2011) which states that there is no influence between the results of underwriting on the insurance companies's profits.

Research from Fikri (2009) found a positive influence on investment returns on insurance profits. But the results of this research was opposited with the research whose conducted by Putri (2016) which states that the investment return variable has no influence on the insurance companies's profits.

Thinking Framework

Based on the description above, the following thinking framework for this research could be drawn as its follows:



Picture 2. Thinking Framework

Source: Theory Study

Hypothesis

Based on these theoretical research that put forward, the hypotheses in this research could be formulated as follows: H1: Its suspected that Premium Income has significantly influences on the profit of general insurance companies in Indonesia, H2: Its suspected that underwriting result has significantly influence on the profit of general insurance company in indonesia, H3: Its suspected that investment result has significantly influence on the profit of general insurance company in Indonesia.

RESEARCH METHODS

This research type based on the level of explanation is in the form of associative research aimed at determining how the relationship between variables (Sugiyono, 2012). In this research, the profit of general insurance companies as the dependent variable while the independent variables are premium income, underwriting results, and investment returns. The

unit of analysis in this research is a joint venture general insurance company with criteria 1) Joint venture general insurance company in Indonesia that has a complete financial report for the period of research in 2011 to 2016, 2) a Joint venture general insurance company in Indonesia which has been registered in 2011 to 2016 and listed to the Financial Services Authority and 3) a Joint venture general insurance company that had total assets of more than 1 trillion in 2016.

The population who used in this research apparently all joint venture general insurance companies in Indonesia which have been registered to the financial services authority (OJK) during period 2012-2016 and have criteria 1) Joint venture general insurance companies that have total assets of more than 1 billion in 2016, and 2) Joint venture general insurance in Indonesia which has a complete financial report during the research period of 2011 to 2016. Samples were taken using a purposive sampling method with total sample of 8 joint venture general insurance companies in Indonesia with assets of at least 1 trillion which namely PT ACE Jaya Proteksi, PT Asuransi Allianz Utama Indonesia, PT AIG Insurance Indonesia, PT Mandiri Mandiri AXA General Insurance, PT MSIG Indonesia Insurance, PT Nipponkoa Indonesia Sampo Insurance, PT Tokio Marine Indonesia Insurance and PT Asuransi QBE Pool Indonesia.

The secondary data collection method has uses the documentation techniques through the study of books, financial reports, journals, papers and financial statements of general insurance companies in Indonesia which been registered to the Financial Services Authority during the period 2012-2016. Premium data income, underwriting and investment results and insurance company profits generally obtained in financial statements of each general insurance company. The data analysis in this research is quantitative analysis with infernal statistical approach. The data analysis method used in this research is the panel data regression method which Panel data is a combination of time series data with cross section data. The analytical tool used in this study was Eviews 10.

FINDINGS AND DISCUSSION

Classic Assumption Test

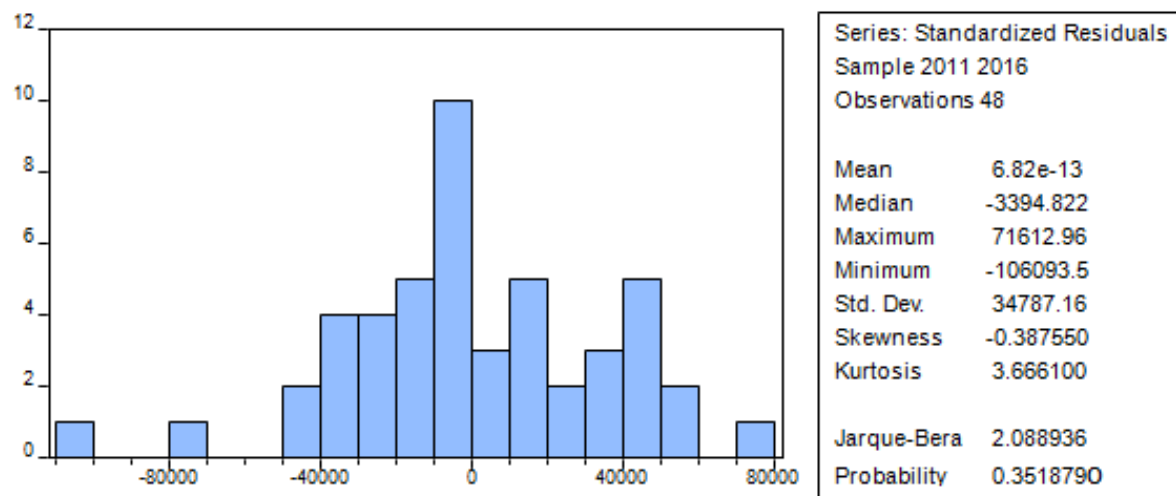
Multicollinearity means that there's a perfect or certain linear related between several variables that explain the regression model. If the correlation coefficient between each independent variable is greater than 0.8, it could be means that there is multicollinearity. When seen from Table 4 below, 3 independent variables have a coefficient value not more than 0.80, so it could be concluded that there is no multicollinearity.

Table 1. Multicollinearity Test

	Premium Income	Underwriting Result	Investment Result
Premium Income	1	0.7663958019907331	0.640904111828442
Underwriting Result	0.7663958019907331	1	0.5967231189796896
Investment Result	0.640904111828442	0.5967231189796896	1

Source: Output Eviews 10.0

JB's Probability value (jarque-Bera) of 2.088936 is greater than 0.05, it can be concluded that residuals are normally distributed.



Picture 3. Normality Test

Source: Output Eviews 10.0

Based on the 3 parameters tested there are basically no significant differences, only in the R-squared where the FE weighted model is bigger (better) so that it could be concluded that there is no heteroscedasticity in these FE model.

Table 2. Heteroscedasticity Test

Parameter	FE unweighted	FE weighted
Prob t-Statistic	Premi, Underwriting < 0.05 dan Investasi > 0.05	Premi, Underwriting < 0.05 dan Investasi > 0.05
R-squared	0.542752	0.6385890
Prob(F-ststistic)	0.000432	0.000010

Source: Output Eviews 10.0

Model Feasibility Test

F test results could be seen in table 6, the value of prob.F (statistic) of 0,000432 is smaller than the 0.05 significance level so that it could be concluded that the estimated regression model is feasible to be used in explain to the effect of Premium Income, Underwriting Results, and Investment Results on the dependent variable Profit of General Insurance Companies in Indonesia.

Table 3. Model Feasibility Test (Test F)

Cross-section fixed (dummy variables)			
R-squared	0.542752	Mean dependent var	54887.19
Adjusted R-squared	0.419172	S.D. dependent var	48436.30
S.E. of regression	36914.32	Akaike info criterion	24.06864
Sum squared resid	5.04E+10	Schwarz criterion	24.49745
Log likelihood	-566.6473	Hannan-Quinn criter.	24.23069
F-statistic	4.391893	Durbin-Watson stat	2.334426
Prob(F-statistic)	0.000432		

Source: Output Eviews 10.0

Regression Coefficient Test (t Test)

Prob value t arithmetic from the free variable premium income of 0,0008 smaller than the error rate (alpha) 0.05 so that the free premium income variable has a significant influence on the dependent variable Profit at alpha 5% or in other words, premium income has a significant influence on the profits of insurance companies common at 95% confidence level. Prob value t count of the independent variable underwriting results by 0.0077 smaller than the error rate (alpha) 0.05 therefore the independent variables underwriting results have a significant influence on the dependent variable profits at alpha 5% or in other words, underwriting results have a significant effect on the profits of insurance companies common at 95% confidence level. Prob value t count of the independent variable investment results of 0.4344 is greater than the error rate (alpha) 0.05 so that the independent variable investment results do not affect the dependent variable profits.

Table 4. Regression Coefficient Test (t Test)

Dependent Variable: LABA				
Method: Panel Least Squares				
Date: 01/23/18 Time: 23:14				
Sample: 2011 2016				
Periods included: 6				
Cross-sections included: 8				
Total panel (balanced) observations: 48				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
PENDAPATAN PREMI	0.173539	0.047292	3.669564	0.0008
HASIL_UNDERWRITING	0.202178	0.071672	2.820884	0.0077
HASIL_INVESTASI	0.182620	0.231082	0.790282	0.4344
C	-45287.81	17487.94	-2.589660	0.0137

Source: Output Eviews 10.0

Determination Coefficient Test (R^2)

R-Square value of 0.542752 shows that the proportion of the influence of the variable premium income, underwriting results and investment returns on profits by 54.27% which means premium income, underwriting results, and investment returns have a proportion of influence on profits of 54.27% while the remaining 45.73% is influenced by other variables which aren't in regression model.

Table 5. Determination Coefficient Test (R^2)

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.542752	Mean dependent var	54887.19
Adjusted R-squared	0.419172	S.D. dependent var	48436.30
S.E. of regression	36914.32	Akaike info criterion	24.06864
Sum squared resid	5.04E+10	Schwarz criterion	24.49745
Log likelihood	-566.6473	Hannan-Quinn criter.	24.23069
F-statistic	4.391893	Durbin-Watson stat	2.334426
Prob(F-statistic)	0.000432		

Source: Output Eviews 10.0

Panel Data Regression Estimation

By using the common effect model approach shows the coefficient of determination (R^2) is 46.85 percent. It can be seen that the Premium Income variable has a statistically

significant influence with a probability value of 0.0198. The cause is said to be significant because of the independent variable regression coefficient has a probability value smaller than the specified error / significance level ($\alpha = 0.05$). Whereas the other two variables namely the results of underwriting and investment do not influence the dependent variable because the probability value is more than 0.05.

Table 5. Common Effect Model

Dependent Variable: LABA Method: Panel Least Squares Date: 01/23/18 Time: 22:42 Sample: 2011 2016 Periods included: 6 Cross-sections included: 8 Total panel (balanced) observations: 48				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
PENDAPATAN_PREMI	0.057120	0.023627	2.417511	0.0198
HASIL_UNDERWRITING	0.124680	0.083785	1.488107	0.1439
HASIL_INVESTASI	0.049009	0.234806	0.208723	0.8356
C	-10763.39	11727.40	-0.917799	0.3637
R-squared	0.468520	Mean dependent var	52030.91	
Adjusted R-squared	0.432283	S.D. dependent var	47122.25	
S.E. of regression	35505.20	Akaike info criterion	23.87240	
Sum of squared resid	5.55E+10	Schwarz criterion	24.02833	
Log likelihood	-568.9376	Hannan-Quinn criter.	23.93133	
F-statistic	12.92924	Durbin-Watson stat	0.730041	
Prob(F-statistic)	0.000003			

Source: Output Eviews 10.0

By using the Fixed Effect model approach it shows that the coefficient of determination (R^2) is 54.27%. It could be seen that the variable Premium Income and Underwriting Results have a statistically significant effect with a probability value of 0,0008 and 0.0077. The reason why is said to be significant because the independent variable regression coefficient has a probability value smaller than the specified error / significance level ($\alpha = 0.05$) as for the investment return variable does not affect the dependent variable because the probability value is more than 0.05.

Table 6. Fix Effect Model

Dependent Variable: LABA Method: Panel Least Squares Date: 01/23/18 Time: 23:14 Sample: 2011 2016 Periods included: 6 Cross-sections included: 8 Total panel (balanced) observations: 48				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
PENDAPATAN_PREMI	0.173539	0.047292	3.669564	0.0008
HASIL_UNDERWRITING	0.202178	0.071672	2.820884	0.0077
HASIL_INVESTASI	0.182620	0.231082	0.790282	0.4344
C	-45287.81	17487.94	-2.589660	0.0137
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.542752	Mean dependent var	54887.19	
Adjusted R-squared	0.419172	S.D. dependent var	48436.30	
S.E. of regression	36914.32	Akaike info criterion	24.06864	
Sum of squared resid	5.04E+10	Schwarz criterion	24.49745	
Log likelihood	-566.6473	Hannan-Quinn criter.	24.23069	
F-statistic	4.391893	Durbin-Watson stat	2.334426	
Prob(F-statistic)	0.000432			

Source: Output Eviews 10.0

By using the Random Effect model approach shows that the coefficient of determination (R^2) is 22.33 percent. It can be seen that the variable Premium Income, Underwriting Results and Investment Results do not affect the dependent variable because the probability value is more than 0.05.

Table 7. Random Effect Model

Dependent Variable: LABA				
Method: Panel EGLS (Cross-section random effects)				
Date: 01/23/18 Time: 22:44				
Sample: 2011 2016				
Periods included: 6				
Cross-sections included: 8				
Total panel (balanced) observations: 48				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
PENDAPATAN_PREMI	0.020324	0.017206	1.181191	0.2439
HASIL_UNDERWRITING...	0.073574	0.072001	1.021836	0.3124
HASIL_INVESTASI	0.066710	0.153680	0.434083	0.6663
C	23420.62	12420.23	1.885684	0.0660
Effects Specification				
			S.D.	Rho
Cross-section random			25860.55	0.6186
Idiosyncratic random			20308.02	0.3814
Weighted Statistics				
R-squared	0.223350	Mean dependent var		15884.41
Adjusted R-squared	0.170397	S.D. dependent var		23745.18
S.E. of regression	21627.72	Sum of squared resid		2.06E+10
F-statistic	4.217857	Durbin-Watson stat		1.674156
Prob(F-statistic)	0.010476			
Unweighted Statistics				
R-squared	0.334429	Mean dependent var		52030.91
Sum of squared resid	6.95E+10	Durbin-Watson stat		0.496050

Source: Output Eviews 10.0

Model Selection

There are three tests that could be used as a tool in choosing a panel data regression model based on the characteristics of the data owned, namely the chow test, the Hausman test and the multiple langrangge test (LM). From the chow test results obtained a Cross-Section F probability value of 0.0000 whose value < 0.05 so it can be concluded that the Fixed Effect Model is more appropriate than the Common one. Then the results of the thirsty test, the random cross-section probability value is 0.0306 whose value is < 0.05 so it can be concluded that the Fixed Effect model is better than the Random Effect Model. Because the of the chow test result and the hausman test model chosen by both are Fixed Effects, there is no need to proceed for the LM Test and the model chosen for use in this research is the Fixed Effect model.

Interpretation

Based on the t test result on the panel regression coefficient data, the research hypothesis could be proven. The value of the regression coefficient whose null hypothesis is rejected and the alternative hypothesis had accepted occurs on variable premium income and

underwriting results. As for the yield investment variable t test results show that the null hypothesis is accepted. These results indicate that the first and second hypotheses are accepted, while the third hypothesis is not accepted.

The processed data used in statistical analysis is the fixed effect model. Therefore, the researchers used the fixed effect model to examine how the influence of premium income, underwriting results, and investment returns on the profits of joint venture general insurance companies in Indonesia. Its referring to the test results using these fixed effect model, the regression equation is obtained:

$$\text{Profit} = -45287.81 + 0.173539 \times \text{Premium Income} + 0.202178 \times \text{Underwriting Results} + 0.182620 \times \text{Investment Results}$$

The interpretation of the regression coefficient (slope) of each independent variable as follows:

1) Premium Income

The first hypothesis in this research states that the premium income has a significant effect on the profits of joint venture general insurance companies in Indonesia as its proven in the t test of the premium income regression coefficient which is worth 0.173539. This shows when the premium income increases by 1 percent, the profit of joint venture general insurance companies in Indonesia will also increase by 17.35%. And conversely, when premium income decreases by 1 percent, the profits of joint venture general insurance companies in Indonesia will also decrease by 17.35%.

2) Underwriting Results

The second hypothesis in this research states that the underwriting results have a significant effect on the profits of joint venture general insurance companies in Indonesia as its proven in the t-test of the regression coefficient of the underwriting results. This could be interpreted that the regression coefficient underwriting results are worth 0.202178. When the underwriting results increase by 1 percent, the profits of joint venture general insurance companies in Indonesia will also increase by 20.21%. And conversely, when the underwriting results decrease by 1 percent, the profits of joint venture general insurance companies in Indonesia will also decrease by 20.21%.

3) Investment Results

The third hypothesis on this research it states that investment returns do not affect the profits of joint venture general insurance companies in Indonesia are rejected as its proven in the t test of the regression coefficient of investment returns. This could be interpreted as the regression coefficient of investment yields worth 0.182610 has the meaning that the results of the research have no effect but the investment results have a positive effect when viewed from the coefficient value. The smallness of investment returns does not have an effect but does not have a negative effect. Because it does not always have no effect, it does not give effect, but the investment return variable is not significant.

Discussion

The results of this research was indicate that the premium income has a significant positive effect on the profits of joint venture general insurance companies in Indonesia, where an increase in the amount of premium income will have an impact on increasing the number of joint venture insurance companies in Indonesia. These results are in line with existing theories which stated that the higher premium income received by the insurance company, then the higher potential benefits will be gained by the joint venture general insurance company. This result is corroborated by previous research (Sastri, 2017), (Adriandini, 2013), (Riani, 2014), and (Mutmainnah, 2015) which states that the premium income variable has a significant positive effect on the profits of general insurance companies in Indonesia, but was different from research which conducted by (Fikri, 2009) who has the result that there is no influence between premium income on the profits of insurance companies.

The results of underwriting in this research show that these results has significant positive effect on the profits of joint venture general insurance companies in Indonesia. The large number of underwriting results shows that the company's ability to manage between underwriting income and underwriting expenses is very good because all stages of selection when an insured participates in the insurance company.

These results are consistent with the existing theory which stated that the higher underwriting results received by insurance companies, the higher potential profits will be obtained by joint venture general insurance companies in Indonesia. High underwriting results also show that the high level of confidence of insurance participants to insurance companies. The results of this research are in accordance with research which conducted by (Mutmainah, 2015), (Fikri, 2009) and (Sastri, 2017) it states that the results of underwriting have a significant positive effect on the profits of insurance companies, but have different results with the research which conducted by (Riani, 2014), (Dhaniati, 2011), and (Niken, 2005) it stated that there was no influence between the results of underwriting on the profits of insurance companies.

Investment results in this research was indicate that there is no influence between investment returns on the profits of joint venture general insurance companies in Indonesia. Where if there is an increase or decrease in investment returns, the profit of the insurance company will not decrease and increase. In theory, when the high investment returns will increase the amount of income components of insurance companies, which in turn can increase the amount of profits in insurance companies. Investment returns thave no effect on the profits of joint venture general insurance companies in Indonesia this because the profits of joint venture insurance companies in Indonesia are very volatile due to political turmoil and economic capabilities that has very high gaps, beside that the turnover obtained from companies not necessarily increase profits because it is used for other operational costs higher for example as marketing. Investment returns are also used to develop new expansion, so investment returns have no influence on the profits of joint venture general insurance companies in Indonesia. The results of this research are in line with research whose conducted by (Putri, 2016) which states that there is no influence between investment returns

and profits of insurance companies but this has different results with research conducted by (Sastri, 2017) and (Fikri, 2009).

CONCLUSION AND SUGESTION

Conclusions

Based on the analysis results which conducted here, there are several conclusions that can be drawn in this research, which namely:

- 1) The high premium income at joint venture general insurance companies in Indonesia has affected the increase in profits of joint venture general insurance companies in Indonesia.
- 2) Underwriting results shows how much the level of public confidence in insurance companies. The increase in results of underwriting has an impact on increasing profits of joint venture general insurance companies in Indonesia.

In this research, investment results do not has an influence the increase in profits of joint venture general insurance companies in Indonesia.

Research Limitations

This research has several limitations. The insurance companies that became the research sample as numbered 8 joint general insurance companies in Indonesia according to the criteria which determined by the researchers as follows:

- 1) A joint venture general insurance company in Indonesia that has complete financial report to the Financial Services Authority 2011-2016.
- 2) Joint venture general insurance company which has total assets in 2016 of more than 1 billion
- 3) The research period was conducted by 2011 to 2016.

Recommendation

- 1) For an Insurance Companies
 - a) Insurance companies especially joint venture general insurance in Indonesia in increasing the company profits should be focus more on increasing the factor of premium income and underwriting results so that company profits will increase more optimally
 - b) Placement on investment instruments that have high risk should not be the company's main focus and could be shifted to medium risk instruments as to reduce investment risk for the company.
- 2) For Future Researchers
 - a) Researchers can add research samples both in the research object or and the time span of the research
 - b) Further researchers has further develop and add other independent variables in order to find out the variables that theoretically has an affect to the profits of joint venture public companies in Indonesia.

- c) The next researcher can spread further the boundaries of the problem according to the researcher's needs.

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