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Insurance Company Financial Performance Analysis

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KEYWORDS	ABSTRACT
Keywords: current ratio; quick ratio; total debt to equity ratio; total debt to total asset ratio; return on assets. **Conflict of Interest Statement:** The author(s) declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest. **Copyright © 2023 AEFS. All rights reserved.**	This study intends to examine the financial performance of insurance companies listed on the Indonesia Stock Exchange (IDX) between 2016 and 2019. This study employs the liquidity ratio, the profitability ratio, and the solvency ratio as indicators of financial performance. The sample comprises of thirteen insurance companies that are listed on the IDX and go public. The results revealed multiple findings. First, the liquidity ratio, which consists of the current ratio and the fast ratio, demonstrates fluctuations, particularly in the calculation of the current ratio. The maximum value for insurance companies with the AHAP code is 772 percent, which is included in the excellent criteria. In contrast, the insurance company with the code AMAG has the lowest value, 2%, which falls under the unfavorable criteria. The fast ratio also demonstrates positive results, with insurance companies having values greater than 1, indicating the availability of current assets to cover liabilities. The second variable is the solvency ratio, which comprises the total debt to equity ratio and the total debt to asset ratio. The insurance companies with the ASDM code have the highest total debt to equity ratio, which is 50%, indicating a solid equity-based return rate. Meanwhile, insurance companies with the AHAP code have the lowest value, 2%, indicating a weak equity-based return rate. The total debt to asset ratio is unfavorable, with insurance companies with the ASDM code having the highest value (83%) and insurance companies with the AHAP code having the lowest value (4%). Thirdly, return on assets (ROA) is used to compute the profitability ratio. ROA also fluctuates. Insurance companies with the AHAP code have the highest value, 5403%, which demonstrates the company's ability to generate exceptional returns on total assets. In contrast, insurance companies with the codes ABDA, AHAP, and AMAG have the lowest value, 6%, indicating a healthy rate of return on profits based on total assets.

Introduction

The financial sector is a very important field in a company. Many companies, large or small, will have great attention to the financial sector, especially in developing an increasingly advanced business world (Faisal et al., 2018) . Competition between companies is getting tighter, and uncertain economic conditions have suddenly caused many companies to collapse. Therefore, for the company to survive or even grow and develop, the company must pay close attention to its condition and performance of the company (Putra & Laely, 2015) .

Companies that are still surviving during intense competition are PT. Indonesia stock exchange. The main activity of this company is implementing government programs in the field of economy and development through a life insurance business. This business, company management must always be careful in making decisions. These decisions must not come out of the company's goals. One of its

main goals is to make a profit. Therefore, management must always be sensitive to any changes, both from within the company's environment and outside the company. A goal will be achieved if the company is managed properly so that it is as expected and that means establishing a policy and making the right decision is very important (Sepang et al., 2018) .

Making a decision and establishing an appropriate policy requires information about the decision that is available promptly, can be traced, clear, complete, and accurate (Nuryanto et al., 2014) .

In measuring company performance, investors usually look at the company's financial performance which is reflected in various ratios and comparisons with other companies are needed which are often difficult to obtain. The company's financial performance can be analyzed using financial reports (Rhamadana & Triyonowati, 2016) . Sources of information can be used to analyze the ratios of financial statements.

Financial reports are the result of the accounting process for a certain period which is the result of collecting and processing financial data presented in the form of financial reports or other summaries that can be used to assist users in making decisions (Ratnaningsih & Alawiyah, 2018) . The results of this comparison will affect the assessment of the company's financial performance. Performance is the workability of a company in a certain period to realize company goals. In order to realize these goals, performance should be organized into smaller units, with a clear division of labor, work systems and work mechanisms (Nur'Rahmah & Komariah, 2016) .

Much research has been done on financial performance, such as research (Nur'Rahmah & Komariah, 2016) which concluded that the financial performance of PT Indocement Tunggal Prakarsa Tbk every year is seen with fluctuating ratios is due to increases or decreases in financial statement items. For example on sales, inventories, profits, and others. While in research (Adur et al., 2018) concluded that the results of the analysis of profitability ratios (Net Profit Margin) Return On Investment and Return On Equity show good performance, except for PT. Bentoel Investama Tbk must improve further because the quick ratio is still below standard.

Based on the different phenomena and results of previous research, this study aims to determine the financial performance of insurance companies based on liquidity ratios, profitability ratios and solvency ratios listed on the Indonesia Stock Exchange.

Literature Review

Definition of Financial Statements

Financial statements are the basic form for understanding a company's financial position and for assessing a company's past financial performance and prospects for the future. Wulandari (2017) defines a financial report as a report that describes the results of the accounting process which is used as a means of communication between financial data or company activities and parties interested in these data or activities. Analysis of financial statements means breaking down financial report items into smaller information units and looking at the relationship that is significant or has meaning between one another, both quantitative data and non-quantitative data, to know a very deep financial condition. Important to make the right decisions on the results of a company's operations at a certain time or period (Bhunia et al., 2016; Sipahelut et al., 2017) .

Purpose of Financial Statements

The purpose of financial reports for general purposes is to provide information regarding the financial position of a company that is useful for a large number of users in making economic decisions and shows management's performance (stewardship) or management's accountability for the use of resources entrusted to it (Almazari, 2012) . In order to achieve these objectives, a financial report presents information about the company including: a. Assets are economic resources that are expected to provide business benefits in the future. Assets or Assets are usually grouped into several categories: Current Assets, Long Term Investments, Fixed Assets, Intangible Assets, Deferred Tax Assets, and Other Assets. b. A company's liabilities are debts arising from past transactions and must be paid in cash, goods or services. c. Equity is the interest or rights of company owners in company assets d. Revenues and expenses include profits. e. Cash flow is the amount of cash that comes out and comes in as a result of the company's activities, in other words, it is cash flow consisting of cash

inflows into the company and cash outflows from the company and some balances each period (Kereta, 2017) .

Definition of Performance and Performance Assessment

Waworuntu (2014) said that company performance is generally measured based on net income (profit) or as the basis for other measures such as return on investment or earnings per share (earnings per share). Income and expenses are directly related to net income (profit) measurement. The recognition and measurement of income and expenses, and therefore net income (profit), depends partly on the concepts of capital and maintenance of capital that companies use to prepare their financial statements.

Agusta (2018) , performance is an activity of managing organizational resources to achieve organizational goals. Goals are about general direction, broad in nature, without limitations, time and are not related to specific achievements within a certain period. Goals are aspirations. Meanwhile, performance is often interpreted as performance, work results or performance. Performance has a broader meaning, expressed as a result of work and how the work process takes place.

Anwar (2016) said that performance appraisal is a function of motivation and ability. To complete a task or job, a person should have a certain degree of willingness and ability. A person's willingness and skills are not effective enough to do something without a clear understanding of what to do and how to do it. Based on the understanding of performance appraisal, it can be concluded that performance appraisal in a modern organization is an important mechanism for management to use in explaining goals and performance standards and motivating individual performance in the future. Performance appraisals form the basis for decisions affecting salaries, promotions, terminations, training, transfers, and other employment conditions.

Definition of Financial Statement Analysis

Financial statement analysis consists of two words analysis and financial report. To explain this word, we can explain it from the meaning of each word. The word analysis is solving or breaking down a unit into the smallest units. At the same time, the Financial Statements are Balance Sheet, Profit/Loss, and Cash Flow (Funds). These two meanings are combined, so the analysis of financial statements means breaking down financial statement items into smaller units of information and looking at the relationship that is significant or has meaning between one another, both quantitative data and non-quantitative data, to know more about financial conditions. Which is crucial in making the right decisions (Endri et al., 2020) .

Purpose of Financial Statement Analysis

Before analyzing the company's financial statements, it is necessary to explain the purpose of the analysis. The purpose of the analysis varies depending on the perspective of the users of the financial statements and what is expected by the analysis of financial statement data. Financial Statement Analysis aims to determine whether the financial situation and business results of the company's financial progress are satisfactory or unsatisfactory. The analysis measures the relationship between the financial statements' elements and how they change yearly to determine their development (Prabowo & Korsakul, 2020) . A creditor is very concerned about the ability of an existing borrower or a proposed borrower to pay interest and principal on the funds borrowed. Credit analysis will use the company's historical records, as presented in the financial statements, to answer such questions and predict the company's potential to meet future cash demands, including repaying its loans (Palamalai & Britto, 2017) .

Definition of Financial Ratios

Several ways can be used to analyze a company's financial statements. However, ratio analysis is very commonly used, which relates two financial data (balance sheet or income statement), either individually or a combination of both, by dividing one data with other data. Analysis using ratios will provide a better understanding of the company's condition, a combination of data and in-depth

comparisons will be obtained, and more information about the company's financial condition and profits will be compared to just looking at independent data elements (Mahajan & Sarkar, 2017) . Financial ratio analysis is a financial analysis tool that explains certain relationships between one number and another, from a company's financial statements or provides an overview to the analyst about the merits of the company's financial condition, especially when the resulting ratio figures are compared with the comparative ratio numbers used as standard. Amanda (2020) , financial ratios can be divided into three general forms that are used, namely: Liquidity Ratios, Solvency Ratios (Leverage), and Profitability Ratios.

Based on the formulation of the problem and research objectives, the hypothesis proposed is:

H1: The financial performance of insurance companies listed on the Indonesia Stock Exchange is optimal yearly based on the Liquidity Ratio.

H2: The financial performance of insurance companies listed on the Indonesia Stock Exchange, the Indonesia Stock Exchange, has been optimal every year based on the Profitability Ratio (Leverage).

H3: The financial performance of insurance companies listed on the Indonesia Stock Exchange, the Indonesia Stock Exchange, has been optimal every year based on its Solvency Ratio.

Research Design and Methodology

This research is a type of quantitative research. The population in this study was 15 insurance companies listed on the Indonesia Stock Exchange. The sample used in this study was purposive sampling, meaning that the sample was selected to represent the population. The sample used in this study were insurance companies listed on the Indonesia Stock Exchange, totaling 13 companies in 2016 - 2019 9 . The sample list can be seen in table 1.

Table 1: Sample List

No	Company name	Company Code
1.	PT. Arta Fund Development Insurance, Tbk	ABDA
2.	PT. Primary Safe Property Insurance, Tbk	ahap
3.	PT. Multi Artha Guna Insurance, Tbk	AMAG
4.	PT. Dayin Mitra Insurance, Tbk	ASDM
5.	PT. Tania Services Insurance,Tbk	ASJT

To obtain the best possible information with the assumption that the goals in writing are achieved, the researcher uses the documentation data collection method, namely data collection based on records or documents related to the research object. The source of the data in this study is secondary data, namely the financial statements of each insurance company listed on the Indonesian stock exchange in the period 2016 - 2019 9 . This study uses descriptive analysis techniques where the data obtained in the field is processed in such a way as to provide systematic, factual and accurate data regarding the issues to be studied. The descriptive analysis technique used to analyze the data is Liquidity Ratios, Profitability Ratios and Solvency Ratios.

Table 2: Operational Variables

Variables	Measurement	Major Reference
Liquidity Ratio	$$\text{Current Ratio} = \frac{\text{Aktiva Lancar}}{\text{Hutang Lancar}} \times 100\%$$ $$\text{Quick Ratio} = \frac{\text{Aktiva Lancar} - \text{Persediaan}}{\text{Hutang Lancar}} \times 100\%$$ $$\text{Total Debt To Equity Ratio} = \frac{\text{Total Hutang}}{\text{Ekuitas Pemegang Saham}} \times 100\%$$	(Agusta & Hati, 2018; Andy & Megawati, 2018)

Solvency Ratio	Total Debt To Total Asset Ratio $= \frac{\text{Total Hutang}}{\text{Total Aktiva}} \times 100\%$	(Wulandari & Darwis, 2017)
Profitability Ratio	Return On Assets $= \frac{\text{Laba Bersih}}{\text{Total Aktiva}} \times 100\%$	(Nuryanto et al., 2014)

Findings and Discussion

Findings

The liquidity ratio shows the ability of a company to meet its financial obligations. The liquidity ratio consists of calculating the current ratio and quick ratio.

Current Ratio

The Current Ratio is a ratio to measure a company's ability to meet its short-term obligations that are due soon by using available current assets. The current Ratio is calculated by comparison between total assets and current liabilities. The company's current ratio calculation can be seen in the table below.

Table 3: Current Ratio

Company Code	Year	Current Assets (Rp)	Current Liabilities (Rp)	Current Average (%)	Means (%)
ABDA	2016	IDR 798,029,879	IDR 3,240,079	0.41%	1.48%
	2017	IDR 1,034,076,731	IDR 5,803,736	0.56%	
	2018	IDR 1,071,101,499	IDR 23,706,546	2.21%	
	2019	IDR 862,527,281	IDR 23,456,352	2.72%	
ahap	2016	IDR 69,670,591,549	IDR 90,259,502	0.13%	0.82%
	2017	IDR 62,906,470,300	IDR 90,259,502	0.14%	
	2018	IDR 80,113,555,492	IDR 110,025,500	0.14%	
	2019	IDR 100,201,120,990	IDR 2,880,512,300	2.87%	
AMAG	2016	IDR 1,407,310,000	IDR 616,650,000	43.82%	23.23%
	2017	IDR 1,507,130,000	IDR 617,450,000	40.97%	
	2018	IDR 12,697,505,740	IDR 955,870,000	7.53%	
	2019	IDR 17,126,822,932	IDR 113,480,000	0.66%	
ASDM	2016	IDR 13,330,979	IDR 630,450	4.73%	16.08%
	2017	IDR 24,040,964	IDR 3,500649	14.56%	
	2018	IDR 12,461,756	IDR 4,309,180	34.58%	
	2019	IDR 28,178,174	IDR 2,944,597	10.45%	
ASJT	2016	IDR 12,697,505,745	IDR 2,087,174,319	16.44%	8.56%
	2017	IDR 10,848,201,707	IDR 1,422,615,627	13.11%	
	2018	IDR 17,126,822,932	IDR 601,379,616	3.51%	
	2019	IDR 11,601,000,000	IDR 136,900,000	1.18%	

This table is assessed based on the financial statements owned by insurance companies listed on the stock exchange by comparing total current assets and total current liabilities, and compared with the criteria or assessment of the current ratio .

Table 4: Assessment of the Current Ratio

Criteria	Evaluation
So healthy	200% - 250%
Healthy	175% - <200%

Healthy Enough	150% - <175%
Unwell	125%-<150%
Not healthy	<125%

Based on the current ratio assessment table, it can be seen that for insurance companies with the ABDA code for 2019 the highest level of current ratio is 2.72%, which means that the rate of return on current debt based on total current assets owned is included in the unhealthy criteria because there are values between <125% , while for the lowest value of the current ratio in 2016 due to the value of the current ratio of 0.41%, which means the rate of return on the company's current debt based on total current assets is included in the Unsound criteria because it is included in the criteria <125%

Based on the current ratio assessment table, it can be seen that for insurance companies with the AHAP code for 2019 the highest level of current ratio is 2.87%, which means that the rate of return on current debt based on total current assets is quite unhealthy because it is included in the criteria <125%, while for the value the current ratio is 2016 the lowest value of the current ratio of 0.13%, which means that the rate of return on current debt based on total current assets is unhealthy because it is included in due to <125%

Based on the current ratio assessment table, it can be seen that for insurance companies with the AMAG code for 2016 the highest current ratio is 43.82%, which means that the rate of return on current debt based on total current assets is quite unhealthy because it is included in the criteria <125%, while for the current ratio value in 2016 the lowest value of the current ratio is 0.66%, which means the rate of return on current debt based on total current assets is unhealthy because it is included in due to <125%

Based on the current ratio assessment table, it can be seen that for insurance companies with the ASDM Code for 2018 the highest level of current ratio is 34.58%, which means that the rate of return on current debt based on total current assets is unhealthy because it is included in the criteria <125%, while for the current value ratio in 2016 with the lowest value of the current ratio of 4.73%, which means that the rate of return on total current debt based on total current assets is unhealthy because it is included in the criteria <125%

Based on the current ratio assessment table, it can be seen that for insurance companies with the ASJT code for 2016 the highest level of current ratio is 16.44%, which means that the rate of return on current debt based on total current assets is unhealthy because it is included in the criteria <125%, while for the current value ratio in 2019 with the lowest value of the current ratio of 1.18%, which means the rate of return on current debt based on total current assets is unhealthy because it is included in the criteria <125%.

Quick Ratio

The ratio is used to measure a company's ability to pay its short-term obligations using liquid assets, or a ratio is used to measure a company's ability to use current assets to cover its current debts. Included in the current ratio are current assets that can be quickly converted into cash, including cash accounts, marketable securities, trade receivables, prepaid expenses, and accrued income, based on the table below,

Table 5: Quick Ratio

Company	Year	Current asset	Stock	Current liabilities	Current asset	Quick Ratio	Means
ABDA	2016	IDR 798,029,879	IDR 252,889,883	IDR 3,240,079	IDR 545,139,996	0.59%	0.85%
	2017	IDR 1,034,076,731	IDR 492,773,835	IDR 5,803,736	IDR 541,302,896	1.07%	
	2018	IDR 1,071,101,499	IDR 797,075,610	IDR 23,706,546	IDR 274,025,889	8.65%	

	2019	IDR 862,527,281	IDR 1,201,474,877	IDR 23,456,352	IDR 338,947,596	-6.92%	
ahap	2016	IDR 69,670,591,549	IDR 5,773254,827	IDR 90,259,502	IDR 63,897,336,722	0.14%	0.83%
	2017	IDR 62,909. 470,300	IDR 6,284,813,268	IDR 90,259,502	IDR 56,621,657,032	0.16%	
	2018	IDR 80,113. 555,492	IDR 59,244,000	IDR 110,025,500	IDR 80,054,311,492	0.14%	
	2019	IDR 100,201,120,990	IDR 144,200,000	IDR 2,880,512,300	IDR 100,056,920,990	2.88%	
AMAG	2016	IDR 1,407,310,000	IDR 1,314,190,000	IDR 616,650,000	IDR 93,120,000	662.21%	538.60%
	2017	IDR 1,507. 130,000	IDR 1,465,510,000	IDR 617,450,000	IDR 41,620,000	148.354%	
	2018	IDR 12,697,505,740	IDR 657,900,090	IDR 955,870,000	IDR 12,039,605,650	7.94%	
	2019	IDR 17,126,822,932	IDR 790,650,078	IDR 113,480,000	IDR 16,336,172,854	0.69%	
ASDM	2016	IDR 13,330,979	IDR 36,813,000	IDR 630,450	IDR 23,482,021	-2.68%	-10.69%
	2017	IDR 24.0 40,964	IDR 42,932,000	IDR 3,500,649	IDR 18,891,036	-18.53%	
	2018	IDR 12,461,756	IDR 48,189,000	IDR 4,309,180	IDR 35,727,244	-12.06%	
	2019	IDR 28,178,174	IDR 59,244,000	IDR 2,944,597	IDR 31,065,826	-9.48%	
ASJT	2016	IDR 12,697. 505,745	IDR 34,146,400,000	IDR 2,087,174,319	IDR 21,448,894,255	-9.73%	2.12%
	2017	IDR 10,848. 201,707	IDR 144,200,000	IDR 1,422,615,627	IDR 10,704,001,707	13.29%	
	2018	IDR 17,126. 822,932	IDR 714,000,000	IDR 601,379,616	IDR 16,412,822,932	3.66%	
	2019	IDR 11,601. 000,000	IDR 714,000,000	IDR 136,900,000	IDR 10,887,000,000	1.26%	

It can be seen that for an Insurance company with the ABDA Code for 2018 the highest level of Quick Ratio is 8.65 times which indicates that this company can fulfill its current obligations, using the most liquid assets because generally the quick ratio received is 1 times, while for the value the lowest quick ratio in 2019 is due to the value of the quick ratio of 0.59 which indicates that this company cannot fulfill its current obligations by using the most liquid assets

It can be seen that for an Insurance company with the AHAP Code for 2019 the highest level of Quick Ratio is 2.88 times which indicates that this company can fulfill its current liabilities, using the most liquid assets, while for the lowest value the quick ratio is in 2016 due to the value of a quick ratio of 0.14 times indicates that this company cannot meet its current liabilities, using the most liquid assets

It can be seen that for an Insurance company with the AMAG Code for 2017 the highest level of Quick Ratio is 1483.54 times which indicates that this company can fulfill its current obligations, using the most liquid assets, while for the lowest value the quick ratio in 2019 is due to the value of the quick ratio of 0.69 times which indicates that this company is unable to meet current liabilities, using the most liquid assets

It can be seen that for insurance companies with the ASDM Code for 2017 the highest level of Quick Ratio is -18.53% times which indicates that this company is unable to fulfill its current obligations, using the most liquid assets, while for the lowest value the quick ratio is in 2016 because the value of the quick ratio is -2.68% times which indicates that this company cannot fulfill current liabilities, using the most liquid assets

It can be seen that for an Insurance company with the ASJT Code for 2017 the highest level of Quick Ratio is 13.29 times which indicates that this company can fulfill its current obligations, using the most liquid assets, while for the lowest value the quick ratio is in 2019 due to the value of the quick ratio is 1.26 times which indicates that this company can meet current liabilities, using the most liquid assets

The Solvency Ratio, also called the Leverage Ratio, measures the ratio of funds the owner provides to funds borrowed from the company's creditors. This ratio is intended to measure to what

extent the company's assets are financed by debt. This ratio indicates the level of security of the lenders (banks). The ratios included in the Ratio o Leverage are:

Total debt to equity ratio

Is a comparison between debt and equity in company funding and shows the ability of its capital, the company to fulfill all of its obligations, based on the table below

Table 6: Total Debt to Equity Ratio

Company Code	Year	Total Amoun of debt	Equity	Total Debt to Equity Ratio	Means
ABDA	2016	IDR 1,338,047,254	IDR 816,313,353	164%	134%
	2017	IDR 1,462,449,504	IDR 1,219,660,251	120%	
	2018	IDR 1,625,205,582	IDR 1,222,400,733	133%	
	2019	IDR 1,582,165,362	IDR 1,232,196,934	128%	
ahap	2016	IDR 196,162,248,332	IDR 100,244,346,561	196%	98%
	2017	IDR 242,458,848,219	IDR 123,185,484,343	197%	
	2018	IDR 272,236,566	IDR 154,173,648,511	0.18%	
	2019	IDR 246,906,068	IDR 153,672,524,904	0.16%	
AMAG	2016	IDR 616,650,000	IDR 862,070,000	72%	35%
	2017	IDR 617,450,000	IDR 1,034,330,000	60%	
	2018	IDR 788,220,000	IDR 8,970,005,000	8.79%	
	2019	IDR 277,860,080	IDR 89,907,657,757	0.31%	
ASDM	2016	IDR 901,458,990	IDR 19,776,118	4558%	3700%
	2017	IDR 1,128,952,524	IDR 22,494,971	5019%	
	2018	IDR 1,217,623,950	IDR 24,690,606	4932%	
	2019	IDR 791,619,522	IDR 272,236,566	291%	
ASJT	2016	IDR 146,542,527,703	IDR 86,920,859,034	169%	137%
	2017	IDR 160,672,605,263	IDR 154,173,648,511	104%	
	2018	IDR 219,894,172,712	IDR 153,672,524,904	143%	
	2019	IDR 243,519,000,000	IDR 183,539,000,000	133%	

This table is assessed based on the financial statements owned by insurance companies listed on the stock exchange by comparing total debt and total equity, and compared with the criteria or assessment of the Total Debt to Equity Ratio .

Table 7: Assessment of the Total Debt to Equity Ratio

Criteria	Evaluation
So healthy	< 70%
Healthy	>70 % - 100%
Healthy Enough	>100% - 150%
Unwell	>150% - 200%
Not healthy	>200%

Based on the Total Debt to Equity Ratio rating table, it can be seen that for Insurance companies with the ABDA Code for 2016 the highest level of Total Debt to Equity ratio is 1.639 or 2%, which means that the company's rate of return based on equity is very healthy, while for the lowest value Total Debt to The equity ratio in 2019 is due to the value of the Total Debt to Equity ratio of 1.199 or 1%, which means that the company's rate of return is based on equity Very healthy

Based on the Total Debt to Equity Ratio rating table, it can be seen that for Insurance companies with the AHAP Code for 2016 the highest level of Total Debt to Equity ratio is 1.957 or 2%, which means that the company's rate of return based on equity is very healthy, while for the lowest value Total Debt to The equity ratio in 2018 and 2019 is due to the value of the Total Debt to Equity ratio of 0.0002 or which means that the company's rate of return is based on equity Very healthy

Based on the Total Debt to Equity Ratio rating table, it can be seen that for Insurance companies with the AMAG Code for 2016 the highest level of Total Debt to Equity ratio is 0.715 or 1%, which means that the company's return on equity is very healthy, while for the lowest value Total Debt to The equity ratio in 2019 is due to the value of the Total Debt to Equity ratio of 0.0003 or which means the company's rate of return is based on equity Very healthy

Based on the Total Debt to Equity Ratio rating table, it can be seen that for insurance companies with the ASDM Code for 2017 the highest level of Total Debt to Equity ratio is 50.187 or 50%, which means that the company's return rate based on equity is very healthy, while for the lowest

value Total Debt to The equity ratio in 2019 is due to the value of the Total Debt to Equity ratio of 2.908 or which means that the company's rate of return is based on equity Very healthy

Based on the Total Debt to Equity Ratio rating table, it can be seen that for Insurance companies with the ASJT Code for 2016 the highest level of Total Debt to Equity ratio is 1.686 or 2%, which means that the company's return on equity is very healthy, while for the lowest value Total Debt to The equity ratio in 2017 is due to the value of the Total Debt to Equity ratio of 1.042 or 1% or which means that the company's rate of return is based on equity Very healthy

Total Debt to Asset Ratio

Debt to Total Assets Ratio (DAR) measures how much the company's total assets are financed with total debt. The higher this ratio means, the greater the amount of loan capital used to invest in assets to generate profits for the company.

Debt to Total Assets Ratio (DAR) is one of the ratios used to measure a company's solvency level. The company's solvency level is the company's ability to pay the company's long-term obligations. A company is said to be solvable, meaning it has sufficient assets and wealth to pay its debts. This ratio shows the amount of total debt to the total assets owned by the company. This ratio is the percentage of funds provided by creditors to the company, based on the table below.

Table 8: Total Debt to Asset Ratio

Company Code	Year	Total Amoun of debt	Total assets	Total Debt to Asset Ratio	Means
ABDA	2016	IDR 1,338,047,254	IDR 2,153,350,059	62%	58%
	2017	IDR 1,462,449,504	IDR 2,681,037,810	55%	
	2018	IDR 1,625,205,582	IDR 2,846,759,759	57%	
	2019	IDR 1,582,165,362	IDR 2,813,838,947	56%	
ahap	2016	IDR 196,162,248,332	IDR 296,406,594,893	66%	39%
	2017	IDR 242,458,848,219	IDR 365,644,332,562	66%	
	2018	IDR 272,236,566	IDR 1,464,530,018	19%	
	2019	IDR 246,906,068	IDR 6,089,400,000	4%	
AMAG	2016	IDR 616,650,000	IDR 1,478,730,000	42%	31%
	2017	IDR 617,450,000	IDR 1,651,130,000	37%	
	2018	IDR 788,220,000	IDR 2,132,200,700	37%	
	2019	IDR 277,860,080	IDR 3,467,000,811	8%	
ASDM	2016	IDR 901,458,990	IDR 1,099,220,176	82%	81%
	2017	IDR 1,128,952,524	IDR 1,353,902,235	83%	
	2018	IDR 1,217,623,950	IDR 1,464,530,018	83%	
	2019	IDR 791,619,522	IDR 1,063,836,088	74%	
ASJT	2016	IDR 146,542,527,703	IDR 189,137,638,693	77%	61%
	2017	IDR 160,672,605,263	IDR 314,864,253,774	51%	
	2018	IDR 219,894,172,712	IDR 373,566,697,616	59%	
	2019	IDR 243,519,000,000	IDR 427,049,000,000	57%	

This table is assessed based on the financial statements owned by insurance companies listed on the stock exchange by comparing the total debt and total assets, and compared with the criteria or assessment of the Total Debt to Asset Ratio

Based on the Total Debt to Asset Ratio assessment table, it can be seen that for Insurance companies with the ABDA Code for 2016 the highest level Total Debt to Asset Ratio is 62% which indicates, based on the 2016 balance sheet 62% of the company's assets are financed by debt, its capital finances the remaining 38% of other assets while for the lowest value the Total Debt to Asset Ratio in 2019 was 56%, which means that based on the 2019 financial balance indicates that 56% of the company's assets are financed by company debt, the remaining 44% of other assets are financed by company capital

Based on the Total Debt to Asset Ratio assessment table, it can be seen that for Insurance companies with the AHAP Code for 2016-2017 the highest level of Total Debt to Asset Ratio is 66% which indicates that based on the 2016-2017 financial balance sheet 66% of company assets are financed by debt, the remaining 34% of assets others are financed by their capital, while the lowest Total Debt to Asset Ratio in 2019 is 4%, which means that based on the 2019 financial balance, it

indicates that 4% of company assets are financed by company debt, the remaining 96% of other assets are financed by company capital

Based on the Total Debt to Asset Ratio assessment table, it can be seen that for Insurance companies with the AMAG Code for 2016 the highest level of Total Debt to Asset Ratio is 42% which indicates that based on the 2016 balance sheet 42% of the company's assets are financed by debt, the remaining 58% of other assets are financed by its capital while for the lowest value the Total Debt to Asset Ratio in 2019 was 8%, which means that based on the 2019 financial balance indicates that the company's debt finances 8% of the company's assets, the remaining 92% of other assets are financed by the company's capital

Based on the Total Debt to Asset Ratio assessment table, it can be seen that for Insurance companies with the ASDM Code for 2017-2018 the highest level of Total Debt to Asset Ratio is 83% which indicates that based on the 20114-2018 financial balance sheet 83% of company assets are financed by debt, the remaining 17% of assets others are financed by capital, while the lowest total debt to asset ratio is 2019 is 74%, which means that based on the 2019 financial balance, it indicates that 74% of company assets are financed by company debt, the remaining 16% of other assets are financed by company capital

Based on the Total Debt to Asset Ratio assessment table, it can be seen that for Insurance companies with the ASJT Code for 2016 the highest level of Total Debt to Asset Ratio is 77% which indicates that based on the 2016 balance sheet 77% of the company's assets are financed by debt, the remaining 23% of other assets are financed by its capital while for the lowest value Total Debt to Asset Ratio in 2017 was 54%, which means that based on the 2017 financial balance indicates that the company's debt finances 54% of the company's assets, the remaining 36% of other assets are financed by the company's capital

The profitability ratio (Probability Ratio) is also often known as the ratio used to measure the profit level compared to sales or assets. The profitability ratio can assess the ability of a company to earn profits that are closely related to the continuity of the company. The profitability ratio is closely related to the survival of the company. Profitability figures are in the form of profit before or after tax, investment profit, earnings per share, and sales profit. The condition or level of soundness of the company can also be seen from this ratio so that the objectives of the financial statements can be achieved

Return On Assets

Return On Assets is the company's ability to earn profits by using all the assets owned by the company. In ROA, profit is measured as gross profit before interest and taxes or EBIT from the assets used. The greater this ratio, the healthier the company's condition. This ratio is also called economic profitability which indicates the ability of assets owned to obtain a rate of return or income, based on the table below

Table 9: Return on Assets

Company Code	Year	Net profit	Total assets	ROA	Means
ABDA	2016	IDR 151,478,496	IDR 2,153,350,059	7%	7%
	2017	IDR 172,242,006	IDR 2,681,037,810	6%	
	2018	IDR 268,564,704	IDR 2,864,759,759	9%	
	2019	IDR 173,481,650	IDR 2,813,838,947	6%	
ahap	2016	IDR 21,547,053,524	IDR 296,406,594,893	7%	1885%
	2017	IDR 22,202,740,050	IDR 365,644,332,562	6%	
	2018	IDR 79,133,870,656	IDR 1,464,530,018	5403%	
	2019	IDR 129,269,995,984	IDR 6,089,400,000	2123%	
AMAG	2016	IDR 152,770,000	IDR 1,478,730,000	10%	8%
	2017	IDR 139,960,000	IDR 1,651,130,000	8%	
	2018	IDR 195,247,822	IDR 2,132,200,700	9%	
	2019	IDR 204,660,500	IDR 3,467,000,811	6%	
ASDM	2016	IDR 169,918,014	IDR 1,099,220,176	15%	15%
	2017	IDR 184,153,967	IDR 1,353,902,235	14%	
	2018	IDR 204,660,500	IDR 1,464,530,018	14%	

	2019	IDR 195,247,822	IDR 1,063,856,088	18%	
ASJT	2016	IDR 106,275,955,879	IDR 189,137,638,693	56%	40%
	2017	IDR 124,622,931,467	IDR 314,846,253,774	40%	
	2018	IDR 102,699,805,462	IDR 373,566,697,616	27%	
	2019	IDR 160,245,000,000	IDR 427,049,000,000	38%	

This table is assessed based on the financial statements owned by insurance companies listed on the stock exchange by comparing total net income and total assets and compared with the criteria or Return on Assets assessment.

Table 10: Assessment of Return on Assets

Criteria	Evaluation
So healthy	>10%
Healthy	7 % - <10%
Healthy Enough	3% - <7%
Unwell	>1% - 3%
Not healthy	<1%

Based on the Return On Assets valuation table, it can be seen that for Insurance companies with the ABDA Code for 2016 the highest rate of Return On Assets is 9% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered Healthy, while for the lowest value Return On Assets in 2017 and 2019 due to the value of Return On Assets of 6% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered quite healthy

Based on the Return On Assets assessment table, it can be seen that for Insurance companies with the AHAP Code for 2016 the highest rate of Return On Assets is 5403% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered Healthy, while for the lowest value Return On Assets in 2017 due to the value of Return On Assets of 6% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered quite healthy

Based on the Return On Assets valuation table, it can be seen that for Insurance companies with the AMAG Code for 2016 the highest rate of Return On Assets is 10% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered Healthy, while for the lowest value Return On Assets in 2019 are due to the value of the Return On Assets of 6% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered quite healthy

Based on the Return On Assets assessment table, it can be seen that for Insurance companies with the ASDM Code for 2019 the highest rate of Return On Assets is 18% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered Very Healthy, while for the lowest value Return On Assets in 2017 and 2018 due to the value of the Return On Assets of 14% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered Very Healthy

Based on the Return On Assets valuation table, it can be seen that for insurance companies with the ASJT Code for 2016 the highest rate of Return On Assets is 56% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered Very Healthy, while for the lowest value Return On Assets in 2017 and 2018 due to the value of the Return On Assets of 27% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered Very Healthy

Discussion

For the liquidity ratio, which consists of calculating the current and quick ratios in 2016 - 2019, it can be seen that there are fluctuations in the current ratio calculation. It can be seen that the average value for the ABDA insurance company is 1.48%, the average value for the AHAP insurance company is 0.82%, the average value of the AMAG insurance company is 23.24%, the average value of the ASDM insurance company is 16.08%, the average value of the ASJT insurance company is 8.56%

For the solvency ratio which consists of calculating the total debt to equity ratio and the total debt to asset ratio in 2016 - 2019, it can be seen that there are fluctuations in the calculation of the total debt to equity ratio. It can be seen that the largest value is for an insurance company with the ASDM code of 50% < 70% which means that the rate of return based on equity is classified as Healthy, and the lowest value is for an insurance company with the AHAP code of 2% <70% which means that the rate of return based on equity is classified as Healthy, while for the total debt to asset ratio, the highest value is for an insurance company with the ASDM code of 83% > 80% which indicates that the rate of return based on total assets is unhealthy, and the lowest value is for an insurance company with the AHAP code of 4% <40% which indicates that the rate of return is based on total assets Very healthy

For the profitability ratio calculated using the return on assets formula in 2016 - 2019, it can be seen that there are fluctuations in the calculation of return on assets, it can be seen that the largest value is in an insurance company with the AHAP code of 5403% > 10% which indicates that the company's ability to earn profits is seen the total assets owned by the company are considered very healthy, and the lowest value is for insurance companies with the ABDA, AHAP, and AMAG codes of 6% <10% which indicates that the company's ability to earn profits seen from the total assets owned by the company is considered healthy

Conclusion

Based on research conducted on the Indonesian stock exchange, it can be concluded that: 1. For the liquidity ratio which consists of calculating the current ratio and quick ratio in 2016 - 2019 it can be seen that there are fluctuations in the calculation of the current ratio. It can be seen that the largest value is in the company insurance with the AHAP code of 772% > 250% which means it is included in the very good criteria, while for the lowest score, the insurance company with the AMAG code is 2% <125% which means it is included in the criteria not good, while for the quick ratio the highest value is in the company insurance with code 727.60 times > 1 time which indicates that the existing quick assets can meet the company's current liabilities . 2. For the solvency ratio which consists of calculating the total debt to equity ratio and the total debt to asset ratio in 2016 - 2019, it can be seen that there are fluctuations in the calculation of the total debt to equity ratio. It can be seen that the largest value is in an insurance company with ASDM code of 50 % < 70%, which means that the rate of return based on equity is good, and the lowest value is for insurance companies with the AHAP code of 2% < 70%, which means that the rate of return based on equity is good, while for the total debt to asset ratio, the highest value is the insurance company with the ASDM code is 83% > 80% which indicates that the rate of return based on total assets is not good, and the lowest value is in an insurance company with the AHAP code of 4% <40% which indicates that the rate of return based on total assets is very good. 3. For the profitability ratio calculated using the return on assets formula in 2016 - 2019, it can be seen that there are fluctuations in the calculation of return on assets. It can be seen that the largest value is in insurance companies with the AHAP code of 5403% > 10% which indicates that the company's ability to obtain profit seen from the total assets owned by the company is considered very good. The lowest value is for insurance companies with the ABDA, AHAP, and AMAG codes of 6% <10% which indicates that the company's ability to earn profits from the total assets owned by the company is considered good.

Based on this description, several suggestions can be put forward that can be taken into consideration in making decisions for interested parties in the future, including the following: 1. Investors should enrich their insights on information circulating in the capital market, increase knowledge about how to read financial reports so that you are not wrong in making investment decisions. Information from the value of financial ratios can be used for investment considerations for investors more interested in profits in the form of dividends. 2. For companies, it is better to provide disclosure of information about actions and information about the company so that investors can easily access the information needed and so as not to harm the company itself as a result of investors not reacting to the company's actions and decisions made and taken by management.

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