Inovbiz: Journal of Business Innovation 9 (2021) 63-72
INOVBIZ
Websites: www.ejournal.polbeng.ac.id/index.php/IBP
E-mail: inovbiz@polbeng.ac.id

ANALYSIS OF ADEQUACY OF FUNDS, LIQUIDITY, AND CLAIM EXPENSES ON THE HEALTH OF SHARIA INSURANCE COMPANIES

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ARTICLE INFO

Received: (to be filled in by the editor)
Received in revised: (to be filled in by the editor)
Accepted: (to be filled in by the editor)
Published: (to be filled in by the editor)

Open Access

ABSTRACT

In this era of globalization, the business world that adheres to sharia principles has begun to develop, not only banking financial institutions, non-banking financial institutions, one of which is insurance institutions also adhere to the syriah principle. Insurance institutions must provide the best company performance so that they can be included in the criteria for a healthy and appropriate insurance company in paying their customer claims. Public trust in insurance is influenced by the health of the insurance company and the accuracy of insurance in paying claims. One way to assess the health condition of an insurance company is to use Return on Equity. Return on Equity at PT AIA Financial is still below the unsafe percentage. Because almost all the percentage of Return on Equity is below 40%. Therefore, it is important to know what things affect Return on Equity so that Return on Equity PT. AIA Financial could be in a safe spot. Furthermore, the way to see the financial performance of an insurance company is to calculate the level of adequacy of funds, liquidity, and claims expense first. The purpose of this study is to determine the effect of the Adequacy of Funds, Liquidity, and Claims Expenses on the Company's Health Level which is projected in Return On Equity. The research method used in this research is descriptive and associative method with a quantitative approach. The results of this study indicate that the level of adequacy of funds has no effect on Return On Equity. Meanwhile, Liquidity and Claims Expenses have an effect on Return On Equity.

Keywords: Return On Equity, Adequacy of Funds, Liquidity, Claim Expense

1. Introduction

In this era of globalization, the business world that adheres to sharia principles has begun to develop a lot, Indonesia is one of the countries with a large Muslim population in the world, this can facilitate the entry of sharia economic influence at the end of the 20th century and sparked several financial institutions that adhere to the principle of sharia(Sharif, 2019). Not only banking financial institutions, non-banking financial institutions, one of which is an insurance institution that adheres to sharia principles, has also begun to show that sharia insurance institutions are developing well and are becoming better known by the Indonesian people.(August, 2020).

According to the Big Indonesian Dictionary (KBBI) Insurance is an insurance or agreement between two parties, where one party is obliged to pay contributions/contributions/premiums and the other party has the obligation to provide full guarantees to the payers of contributions/contributions/premiums if something happens to the other party. first or his property in accordance with the agreement that has been made

Insurance companies must provide the best company performance so that they can be included in the criteria for a healthy and appropriate insurance company in paying their customer claims. As reported, PT. Mubarakah Syariah Insurance has been declared bankrupt by the Central Jakarta Commercial Court because it has received a letter of application for bankruptcy from the OJK, and the OJK has found that PT. Mubarakah Syariah Insurance is difficult to pay

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claims to customers, it is feared that it will cause people to have a sense of distrust of insurance. (Ramadhani, 2016). Furthermore, PT Asuransi Jiwasraya failed to pay because it was unable to pay off customer policy claims of 802 billion in 2018 and continued to rise to 12.4 trillion in December 2019. (Sasongko, 2019)

PT Asuransi Jiwa Kresna also failed to pay in 2019 so the Financial Services Authority reprimanded PT Asuransi Jiwa Kresna to improve its financial performance (Hastuti, 2020). So because of this Sharia Insurance must have good financial health and accuracy in claim payments so as to foster a sense of trust in insurance in the life of the community.(Ratna et al., 2019)

Public trust in insurance is influenced by the health of the insurance company and the accuracy of insurance in paying claims, in addition to maintaining the financial performance of the insurance company, the company must manage the assets and premiums received properly so that the accuracy of claim payments will occur. (Hasbi & Suryawardani, 2013)

If a customer wants to decide to take an insurance program, he must first look at the company's financial performance so that later when the claim payment does not fail, and to see the financial health of a company, what must be done is to analyze the company's financial health (Hasbi & Suryawardani, 2013)

The company's financial health is very important to support all forms of company operations(Oktawaldiana & Dzulkirom, 2018), one way to assess the company's health condition by using Return on Equity(Susanto, 2019). According to(Lutfi & Sunardi, 2019), Return On Equity is one of the profitability ratios, namely the ratio that compares net income after tax with the equity that has been invested by the company's shareholders. This ratio shows the company's ability to generate net income available to owners or investors. ROE is very dependent on the size of the company, for example, small companies have relatively small capital, so the resulting ROE is small, and vice versa for large companies. Where the higher the ROE ratio here means the better the company uses its assets and capital to obtain maximum profit. The more maximum the company's profit is reflected in the high stock price, the greater the interest of investors in investing their capital(Simanjuntak, 2021).

The way to see the financial performance of an insurance company is to calculate the Adequacy Level of Funds, Liquidity, and Claims Expenses first. (Rs & Permatasari, 2016)

Fund Adequacy Level is a ratio that shows the adequacy of funding sources for total resources for company activities and the minimum normal limit for this ratio is 33%. The lower this ratio indicates an error in the company. (Financial Fervices Authority)

Liquidity is a ratio used to measure the company's ability to meet its obligations and roughly gives a picture of the company's financial condition whether it is in good condition or not. The higher this ratio indicates that the company is in a bad condition so that a more in-depth analysis is needed.(Rs & Permatasari, 2016)

Meanwhile, Claim Expenses is a ratio that shows the amount of claims expense to the increase in premium income. (Rs & Permatasari, 2016). In the insurance business process, there are costs that must be paid by the insurer to the insured in the event of the insured risk, these costs are called claim expenses. The amount of the claim is paid in accordance with the agreement stated in the insurance policy, the claim payment will be processed by the insurer if the terms of the insurance agreement to submit a claim for a risk have been fulfilled by the insured.(Lestari et al., 2018). The claim burden is the payment of the risk that the insured makes a claim with an agreement on the insurance policy, the risk borne can be in the form of old age risk, vehicle risk, life risk, reinsurance risk and others.(Umam, 2018).

In this study, the company that will be the object of research is PT AIA Financial. The following is the return on Equity movement data which is presented in the form of a table as follows:

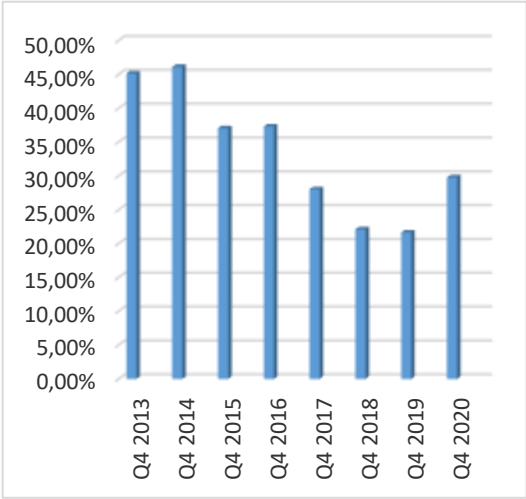

Figure 1. Graph of Quarter IV Return on Equity 2013-2020

From the table above it can be seen that *Return on Equity* PT AIA Financial is still below the unsafe percentage. Judging from other data, almost all of the ROE percentages are below 40%. Based on health measurement indicators based on ROE criteria according to Kasmir in(Winarno, 2019), the company is said to be good if the ROE owned by the company is above the industry average in general, which is an average of 40%. This shows that the company's health level is still in a low percentage.

In this case, it is important to conduct a more in-depth empirical study on the financial health of Islamic Insurance Companies in Indonesia through Return on Equity which is influenced by the Adequacy of Funds, Liquidity, and Claim

Expenses on Sharia Insurance Companies in Indonesia.

Based on the above phenomena, the writer is interested in raising the title "ANALYSIS OF ADEQUACY OF FUNDS, LIQUIDITY, AND CLAIM EXPENSES ON THE HEALTH OF SHARIA INSURANCE COMPANIES".

2. Research Method

2.1. Types of research

The type of research used in this study is descriptive and associative with a quantitative approach

Quantitative methods are "methods based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, quantitative data analysis with the aim of testing predetermined hypotheses." (Sugiyono, 2012).

2.2. Object of research

This study uses a Financial Management approach. According to Sugiyono (2017:41) the object of research is "a scientific goal to obtain data with a purpose and usefulness about a subjective, valid, and reliable thing about a thing (certain variables)." In this study, the object of research is the level of financial soundness, the level of adequacy of funds, the burden of claims, and liquidity. The object of this research is divided into two types, namely the independent variable and the dependent variable.

2.3. Data collection technique

According to Sugiyono (2017b, p. 137)said "Data collection can be done in various settings, various sources, and in various ways. If viewed from the setting, the data can be collected in a natural setting. When viewed from the sources, data collection can use primary sources and secondary sources.

The collected data used in this research is secondary data.

2.3.1. Secondary Data

According to Sugiyono (Sugiyono, 2017b) "Secondary data is a source whose data is not directly given to data collectors, for example through other people or a document"

The data used by the author in this study is secondary data including literature and documentation studies

2.3.1.1 Literature Study

According to Sugiyono (Sugiyono, 2017b)"Library study is an activity to conduct theoretical studies and references related to the research conducted". In this study, the data collection technique used was reading the literature obtained from various sources, both books and journals and previous research, both online and in print, which are still related to the research.

2.3.1.2 Documentation

According to Sugiyono (Sugiyono, 2017)"Documentation is a record of events that have passed, documentation can be in the form of writing, pictures, or monumental works of someone". In this study, the documentation used is the 2017 financial report data from the first quarter to the fourth quarter of 2019.

2.4. Data Analysis Techniques

All data has been collected, the next activity is to analyze the data,

According to Sugiyono (2017:147) states that the data analysis technique is,

Activities in data analysis are grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, presenting data for each variable studied, performing calculations to answer the problem formulation, and performing calculations to test hypotheses that have been proposed.

The data analysis that the author uses in this study is descriptive and associative statistical methods.

2.4.1. Descriptive Statistical Analysis

According to Imam Ghozali (2018:19) "Descriptive analysis is an analysis that provides a description or descriptive of a data seen from the data of the average value, standard deviation, variance, maximum, minimum, sum, range, and skewness".

In accordance with its own function, descriptive statistical analysis will only describe the condition of a symptom that has been documented through measuring instruments which are then worked on or processed. Someone will definitely need some information related to the existence of a particular problem. Therefore, in order to make it easier to find out the meaning, the results of the processing will be explained with data in the form of numbers.

In this study, the authors will describe the problems related to the influence of the Adequacy Ratio of Funds, Liquidity Ratios, and Claims Expenses Ratios on the Financial Soundness Level of Islamic Insurance Companies in Indonesia.

2.4.1.1. Fund Adequacy Level Analysis

In calculating the Fund Adequacy Level Ratio there is a formula used and according to (Rs & Permatasari, 2016) which are as follows:

$$Rasio\ Tingkat\ Kecukupan\ Dana = \frac{\text{Modal Sendiri}}{\text{Total Aktiva}} \times 100\%$$

Own capital = paid-in capital, additional paid-in capital, special reserves and profit (retained earnings),

Total assets = is total assets which can be in the form of investments, cash and bank, premium receivables, reinsurance receivables, fixed assets and other assets

2.4.1.2. Liquidity Analysis

In calculating the Liquidity Ratio there is a formula used and according to (Rs & Permatasari, 2016) which are as follows:

$$Rasio\ Likuiditas = \frac{\text{Kewajiban}}{\text{Kekayaan yang diperkenankan}} \times 100\%$$

Wealth allowed = Time deposits, certificates of deposit in the Bank, Shares that have been listed on the stock exchange, Bonds, Securities, Mutual fund participation units, Direct participation (shares not listed on the stock exchange), Buildings, Policy loans, Ownership financing land and/or buildings, motor vehicles, and capital goods with a murabahah scheme (sale and purchase with deferred payment).

2.4.1.3 Claim Expense Analysis

In calculating the Claim Expense Ratio there is a formula used and according to (Rs & Permatasari, 2016) which are as follows:

$$RBK = \frac{\text{Klaim Yang Terjadi}}{\text{Pendapatan Premi}} \times 100\%$$

2.4.1.4 Return On Equity Analysis

In calculating Return On Equity there is a formula used and according to (Darsono, 2005) as follows:

$$ROE = \frac{\text{Laba Setelah Pajak}}{\text{Total } Equity} \times 100\%$$

2.4.2. Classic assumption test

The classical assumption test is the conditions that must be met before performing a regression analysis so that the model becomes valid. One way to test the classical assumptions is by means of a normality test, this is done to test a variable to be studied is normally distributed or not, and the classical assumption test is carried out to ensure that the results obtained have met the basic assumptions in the regression analysis.

2.4.2.1. Normality test

Normality test aims to test whether in a regression model, the dependent variable, the independent variable or both have a normal distribution or not have a normal distribution. (Prasetyo, 2018). If the data is normally distributed, it is said that the regression model is good.

Whether the data is normally distributed or not normally distributed can be done using the test *Kolmogorov Smirnov*(KS). The test has criteria including:

1. The significance value < 0.05 means the data is not normally distributed.
2. Significance value > 0.05 means the data is normally distributed.

2.4.3. Multiple Correlation Coefficient

According to the multiple correlation coefficient is a value that provides a strong influence or relationship between two or more variables together with other variables.

The results of the calculations that have been obtained are then given an interpretation of the strength of the relationship using the guidelines as shown in the following table:

Table 2. Guidelines for Interpreting the Correlation Coefficient

Coefficient Interval	Correlation coefficient
0.00 – 0.199	Very low
0.20 – 0.399	Low
0.40 – 0.599	Medium
0.60 – 0.799	High
0.80 – 1,000	Very high

Source: (Sugiyono, 2017:231)

In this study, correlation coefficient analysis was used to determine the strong relationship between the independent variables of Fund Adequacy Level, Liquidity, and Claims Expenses on Financial Soundness Level.

2.4.4. Coefficient of Determination

According to Gujarati (2013) in (Hartini, 2020) States that:

The coefficient of determination or referred to as goodness of fit is used to determine how far the model's ability to describe and explain variations in the dependent variable and the value of R^2 is in the range 0-1 (reference name).

If the coefficient value (R2) shows low, then the independent variable model in explaining the dependent variable is limited and if the coefficient value is higher and almost close to 1,

the independent variable will show all information in order to predict the dependent variable.

2.4.5. Multiple Linear Regression Analysis

Multiple regression analysis is an analysis that has a function to predict the value of the dependent variable if the independent variable is at least two or more which aims to determine the effect of two or more independent variables on the dependent variable to prove whether or not there is a functional relationship or causal relationship between two or more independent variables. with dependent variable (Asriyati, 2017).

Multiple regression analysis was used to determine how much influence the level of adequacy of funds (X1), liquidity (X2), claims expense (X3), on the level of financial soundness of Islamic insurance companies (Y). Multiple linear regression equations can be searched by the formula:

Y = 0X0 + 1X1 + 2X2 + 3X3 + e

Information:

Y = Financial Soundness Level

0 = constant

1-3 = regression coefficient

X1 = Fund Adequacy Level

X2 = Liquidity

X3 = Claim Expenses

e= error (error)

2.4.6. Hypothesis testing

A hypothesis is an assumption or assumption about something that is made to explain something that is often required to check. Test the significance of the effect of the independent variable on the dependent variable simultaneously using the F test and partially using the t test. To determine the effect of the Adequacy Level of Funds (X1), Liquidity (X2), Claims Expenses (X3) on the Financial Soundness Level (Y).

2.4.6.1. Partial Test (t test)

The t test is used to see the level of significance of the independent variable affecting the dependent variable which is carried out individually and individually or individually with a certain level of confidence (Prasetyo, 2018). The formula for calculating the t test is as follows:

$$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

Information :
t: Test Value t
r: Pearson Correlation Coefficient
r2 : Coefficient of Determination
n: Number of Samples

Sourced from (Asriyati, 2017) that this test has the following decision-making criteria:

1. If tcount < ttable, and significant probability > 0.05, H0 is accepted and H1 is rejected
2. If tcount > ttable, and significant probability < 0.05, H0 is rejected and H1 is accepted.

2.4.6.2 Simultaneous Test (F test*)*

Imam Ghozali (2018:98)"The F statistic test basically shows whether all independent or independent variables included in the model have a joint effect on the dependent or dependent variable". The F test is carried out by comparing steps from Fcount to Ftable.

The F test can be seen from the Anova table, the multiple correlation hypothesis test is directly consulted with the F table price based on the DK numerator k - 1 and DK denominator = (nk-1) and the error level is 0.05. :
1. If Fcount Ftable then significant
2. If Fcount Ftable then it is not significant.

In contrast to the t test which measures the influence between individual variables, the F test measures the effect together, if the probability value of the calculated F value 0.05 then the independent variables jointly affect the dependent variable ".

3. Results and Discussion

A general description of the company

PT AIA Financial Syariah is one of the leading insurance companies in Indonesia and is an insurance company registered and under the supervision of the Financial Services Authority. PT. AIA Financial Syariah is a unit of PT. AIA Financial in Indonesia and a subsidiary of the AIA Group of companies. PT. AIA Financial issues and offers a variety of insurance products, including insurance with Sharia principles, which include life insurance, health insurance, personal accident insurance, insurance linked to investments, employee welfare programs, and the Pension Fund (DPLK) program. These products are marketed by more than 6,000 salespeople in Indonesia through various distribution channels such as agency, Bancassurance and Corporate Solutions (Pension & Employee Benefits).

Vision and mission of the company

Company Vision

To become the most needed and trusted financial service provider in Indonesia. AIA Financial will be a leader in every line of business by offering a variety of flexible, innovative and high value products and services through the best distribution channels in Indonesia.

Company Mission

Improving a better life for Indonesians by meeting their ever-changing financial needs while understanding the expectations of policyholders, corporate partners and shareholders.

Company history

PT. AIA Financial was founded on May 28, 1983 under the name PT Asuransi Lippo Jiwa Sakti and then changed its name to PT Asuransi Lippo Life in 1989 and became a pioneer of bancassurance in Indonesia. 1998 PT. Lippo Life Insurance transferred the entire portfolio to PT Asuransi Jiwa Lippo Utama (AJLU) with the approval of the entire board of commissioners including assets, employees, and marketers totaling more than 1200 people. Furthermore, in the same year PT. Lippo Life Insurance has established 6 administrative offices or Regional Service Centers located in Jakarta, Karawaci, Surabaya, Bandung, Makassar, and Medan. PT. Lippo Life Insurance in collaboration with PT. Pos Indonesia on September 9, 1999. DPLK Lippo Life became the only DPLK that received ISO 9001 certificate on October 5, 1999. On December 14, 1999 American International Group, Inc. (AIG) bought 70 percent of AJLU's shares and became a multinational company which was given a new name, namely PT Asuransi AIG Lippo Life (AIG Lippo). Robbert W.Bush officially led AIG Lippo and became CEO and President Director of AIG Lippo on September 1, 2000, which was followed by a change in the company's logo and positioning "for a better life". To expand market penetration, AIG Lippo changed its name back to AIG Life on December 29, 2004 and increased its shareholding to 80 percent of American International Assurance. On June 1, 2009 PT. AIG Life changed its name to PT. AIA Financial. AIA Financial is a member or subsidiary of AIA Group Limited (AIA Group).

Classic assumption test

Table 1. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		32
Normal Parameters, b	mean	.0000000
	Std. Deviation	.07396973
Most Extreme Differences	Absolute	.137
	Positive	.137
	negative	-121
Test Statistics		.137
asymp. Sig. (2-tailed)		.134c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: SPSS 24, Data Processed by Researchers

Based on the data above, it can be seen that the Kolmogorov-Smirnov value has a value of 0.134 with a significance value of 0.134 > 0.05, meaning that H0 is accepted and HA is rejected, which means that based on the calculated data above, it can be concluded that the residual data is normally distributed.

Multiple Correlation Coefficient

Table 2. Multiple Correlation Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig. F Change
1	.888a	.789	.766	.07783	.789	34,854	3	28	.000

a. Predictors: (Constant), Claim Expenses, Liquidity, Adequacy of Funds

Source: SPSS 24, Data Processed by Researchers

From the data that has been processed in spss produces the value of Sig. F Change 0.000 according to Sugiyono (2017:231), if Sig. F Change <0.05 then there is a relationship, and the level of this relationship can be seen from the R value of 0.888 and according to Sugiyono (2017:231) if the R value is 0.80 - 1.00 then there is a very strong relationship.

high. So it can be concluded that the variables of Fund Adequacy Level, Liquidity, and Claims Expenses are simultaneously or simultaneously related to the Company's soundness level (ROE) and have a very strong relationship.

Coefficient of Determination

Table 3. Coefficient of Determination Test

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.888a	.789	.766	.07783	1,239

a. Predictors: (Constant), CLAIM EXPENSES, LIQUIDITY, ADEQUACY OF FUNDS

b. Dependent Variable: ROE

Source: SPSS 24, Data Processed by Researchers

Based on the results of the data calculation above, R Square or R2 produces a value of 0.789. According toImam Ghozali (2018:97)The coefficient of determination is if Kd is close to 1, it means that the influence of the independent variable on the dependent variable is strong.

This means that the contribution of the Sufficiency of Funds (X1), Liquidity (X2) and Claims Expenses (X3) gives a value of the proportion of influence of 0.789 or 78.9% on ROE (Y), and the remaining 21.1% is influenced by other variables. which were not investigated in this study.

Multiple Linear Regression

Table 3. Multiple Linear Regression Test

Coefficientsa

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	.471	.186		2,529	.017		
	LEVEL OF ADEQUACY OF FUNDS	.395	.233	.257	1,701	.100	.329	3.036
	LIQUIDITY	-.482	.085	-.499	-5,646	.000	.965	1.036
	CLAIM LOAD	-1.611	.581	-.420	-2,773	.010	.329	3.038

a. Dependent Variable: ROE

Source: SPSS 24, Data Processed by Researchers

Based on the data above, the b1 value is -1,611, the b2 value is

-0.482 and the value of b3 is 0.395 while the value of a is 0.471. Furthermore, the value above is entered into the regression equation as follows.

$$Y = a + b1X1 + b2X2 + b3X3$$

$$Y = 0.471 + 0.395\ X1 - 0.482\ X2 - 1.611X3$$

The meaning of the above equation is as follows:

1. The constant a value of 0.471 states that if there is a change in the Adequacy of Funds, Liquidity, and Claims Expenses.
2. The regression coefficient of the Fund Sufficiency Level variable has a value of 0.395 which indicates a unidirectional relationship, meaning that for each increase in the Fund Sufficiency Level by one unit, it will increase the ROE by 0.395.
3. The regression coefficient for the Liquidity variable has a value of -0.482 indicating a non-unidirectional relationship, meaning that every increase in Liquidity is one unit, it will reduce the ROE by 0.482.
4. The regression coefficient for the Claims Expenses variable has a value of -1.611 indicating a non-unidirectional relationship, meaning that for every increase in Claims Expenses by one unit, it will reduce ROE by 1.611.

Partial Test (t test)

Table 4. Partial Test (t test)

Coefficientsa

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	.471	.186		2,529	.017		
	LEVEL OF ADEQUACY OF FUNDS	.395	.233	.257	1,701	.100	.329	3.036
	LIQUIDITY	-.482	.085	-.499	-5,646	.000	.965	1.036
	CLAIM LOAD	-1.611	.581	-.420	-2,773	.010	.329	3.038

a. Dependent Variable: ROE

Source: SPSS 24, Data Processed by Researchers

Based on the results of the t-test calculation above, the following results will be obtained:

1. Fund Adequacy Level Test (X1)
   From the data in the table above, it shows that the Fund Sufficiency Level has a t value of 1.701 < t table of 2,048 and a significance (0.10 > 0.05), meaning that H0 is accepted and H1 is rejected. It can be concluded that there is a negative and insignificant effect on the Fund Sufficiency Level. against ROE.
2. Liquidity Testing (X2)
   From the table data above, it shows that Liquidity has a t-count value of -5,646 < t-table of 2.048 and a significance (0.00 <0.05), meaning that H0 is rejected and H1 is accepted. It can be concluded that there is a negative and significant effect of Liquidity on ROE.
3. Claim Expense Testing (X3)
   From the data in the table above, it shows that the Claim Load has a t-count value of -2.733 < t table of 2.048 and a significance (0.01 <0.05), meaning that H0 is rejected and H1 is accepted. It can be concluded that there is a negative and significant effect of Claim Expenses on ROE. .

F-Simultaneous Hypothesis Test

Table 4. Partial Test (t test)

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.633	3	.211	34,854	.000b
	Residual	.170	28	.006		
	Total	.803	31			

a. Dependent Variable: ROE

b. Predictors: (Constant), CLAIM EXPENSES, LIQUIDITY, ADEQUACY OF FUNDS

Source: SPSS 24, Data Processed by Researchers

Based on the results of the f test above, it can be concluded that Fcount Ftable, Fcount 34,854 Ftable 2.95 and significance (0.000 < 0.05), meaning that there is a joint influence of the Level of Adequacy of Funds, Liquidity, and Claims Expenses on Return On Equity (ROE) Significantly.

5.Conclusion

Adequacy of Funds does not affect the Health Insurance Company PT. AIA Financial Syariah in 2013 – 2020. This is evidenced by the t-count value of 1.701 < t-table of 2.048 and the significance (0.10 > 0.05), then statistically the Fund Adequacy Level does not affect the Health of the Insurance Company which is projected to Return On equity.

Liquidity has a negative effect on the Health Insurance Company PT. AIA Financial Syariah in 2013 – 2020. This is evidenced by the t-count value of -5,646 < t table of 2.048 and a significance (0.00 <0.05), so statistically Liquidity affects the Health of Insurance Companies which is projected on Return On Equity.

And has a non-unidirectional relationship, this is evidenced by the regression coefficient of the Liquidity variable which has a value of -0.482, meaning that each increase in Liquidity is one unit, it will reduce ROE by 0.482.

Claim Expenses have a negative effect on the Health Insurance Company PT. AIA Financial Syariah in 2013 – 2020. This is evidenced by the value of t count -2.733 < t table of 2,048 and a significance (0.01 < 0.05), so statistically the Claim Expenses affect the Health of Insurance Companies which is projected to Return On Equity .

And it has a non-unidirectional relationship, this is evidenced by the regression coefficient for the Claim Load variable which has a value of -1.611, meaning that for every increase in Claims Expenses by one unit, it will reduce ROE by 1.611.

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