



## Financial Performance Analysis of Sharia Business Unit Life Insurance Companies in Indonesia 2019-2023

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**Abstract.** Indonesia's economy developed better than the previous year and remained stable due to people's economic activity. With the development of the economy and community activities, there are more and more possibilities of risks that arise and threaten humans. From this, the insurance industry has also begun to become one of the supporting pillars in economic growth as one of the insurance solutions for goods, loans, and even their lives. So it requires every person who wants to do insurance to understand and know the performance of insurance companies as an option in investing to avoid losses. This study aims to conduct an in-depth analysis of the performance of life insurance companies of sharia business units through their finances during the 2019-2023 period. The method used is financial ratio analysis with the Early Warning System (EWS) method which includes solvency ratios, profitability, liquidity, premium stability, and technical liabilities. The data used comes from the company's publicly available annual financial statements. The results of the analysis show that life insurance companies of sharia business units in Indonesia generally show poor corporate performance in the research period. Some ratios show negative trend results, which can be detrimental to the people who invest. This research provides valuable insights for stakeholders in the Islamic life insurance industry in understanding the factors that affect the company's financial performance. The implications of these findings can be used as a foundation for strategic decision-making, product development, and increased oversight of risk management.

**Keywords:** Sharia Financial Performance, Early Warning System Method, Sharia Insurance.

### 1. INTRODUCTION

The Indonesian economy developed better than the previous year and remained stable due to people's economic activity in meeting large domestic demand, both external and internal stability (Bank Indonesia, 2023). With the development of the economy and community activities, it has an impact on the increasing number and variety of possible risks that arise and threaten humans. As a result, public awareness of the importance of protecting their assets and health in the face of uncertain conditions has increased

One way that individuals and entrepreneurs can overcome this is by holding insurance for their goods, loans, and even their lives. So that more and more people are starting to have insurance, which is making the insurance industry in Indonesia increasingly developed (Maulana, 2018). The development of the insurance industry does not only apply to conventional insurance companies but also applies to sharia insurance companies. Sharia

insurance in Indonesia has experienced development. Now almost all insurance service providers also offer sharia-based insurance options.

Based on data from the Financial Services Authority (OJK), there are 58 sharia insurance companies operating in Indonesia, of which there are 29 sharia life insurance companies, 25 sharia general insurance and 4 sharia reinsurance companies (OJK, 2023). However, until now sharia insurance companies cannot be said to be stable, looking at the statistics of the growth of the sharia insurance industry every year it continues to fluctuate, which indicates that there has been no significant development in the sharia insurance sector in Indonesia.



Source: Statistical data from the Indonesian financial services authority

Figure 1 Graph of Sharia Insurance Growth in Indonesia

In terms of several financial indicators, sharia insurance has experienced continued growth, namely in terms of assets, contributions, claims and investments. This growth shows the success of the sharia insurance industry in increasing revenue. However, the growth of several of these indicators only grows slightly each year compared to the growth of conventional insurance so that this cannot yet identify the condition of the company's performance which can be said to be good and optimal in managing funds. The following is a graph of the development of the sharia insurance industry in Indonesia from 2019 – 2022 (OJK, 2022).



Source: Statistical data from the Indonesian financial services authority

Figure 2 the sum of Gross Contributions, Claims, Investments and Assets

Based on data owned by OJK, most companies have a very small business size, both the general insurance industry and the life insurance industry. Most of the premiums (more than 80%) in the insurance industry are only owned by a small number of insurance industry players. This occurs because of the low market share of Islamic insurance caused by several factors such as low levels of public literacy, limited public access to buy insurance products, limited insurance products available for all segments and distrust of insurance participants in the performance of Islamic insurance caused by the inability of the public to understand well the concepts and principles of Islamic insurance. (Otoritas Jasa Keuangan, 2023).

One of the ways used to predict the health condition of insurance companies is to analyze financial performance which can be measured using financial ratio analysis made by The National Association of Insurance Commissioners (NAIC) or the United States insurance business entity supervisory agency known as the Early Warning System (EWS) financial ratio analysis which is often used both nationally and internationally.

Until now there has been little research conducted in this scope, for this reason this research needs to be carried out by focusing on Islamic business unit life insurance companies registered with the Financial Services Authority in 2019-2023. The author wants to know and reveal about the financial performance of Islamic life insurance companies in Indonesia because many Islamic life insurance companies in Indonesia, especially in their sharia business units, experience fluctuations in their company's performance as a review and information section for stakeholders.

## **2. LITERATURE REVIEW**

### **Sharia Insurance**

At present insurance is a basic human need, especially for business people if at any time a disaster occurs, often they have to bear the costs to cover the shortage of the cost of that misfortune and sometimes they have a financial economy only to a certain extent to overcome it. The calamity can be in the form of any time a person can experience sudden death, accident, paralysis, illness, unemployment, fire, flood, drowning, financial loss, and so on. This clearly makes insurance very necessary to be traded as a basic human need that covers a very wide range of human life activities and situations. (Nurul Ichsan Hasan, 2014).

The practice of insurance has existed since the time of the Prophet Muhammad which is the culture of the ancient Arab tribes. The practice of insurance is called *âqilah*, which occurs when at that time there was an incident by one member of the tribe who was killed by a member of another tribe, so that the family or heirs of the victim would be paid a sum of

blood money (diyat). This blood money is a compensation paid by the killer's closest relative to the heirs of the murder victim.

The term "aqilah" means the killer's closest relative which can simply be interpreted to mean mutual responsibility for the family. This suggests that the Arabs of the time were willing to make a financial contribution on behalf of the murderer to pay a sum of money to the victim's family or heirs. (Kholis, 2021).

Islamic insurance in Indonesia was officially established for the first time by PT Asuransi Takaful Keluarga in 1994. After previously the TEPATI Team (Takaful Indonesia Team) sponsored by the Abdi Bangsa Foundation (ICMI), Bank Muamalat Indonesia, Tugu Mandiri Insurance and the Ministry of Finance visited Malaysia to study Islamic Insurance operations. The birth of Asuransi Takaful Indonesia became a solution to maintain financial management based on sharia principles amid the turmoil of the conventional insurance sector at that time and received tremendous appreciation from the Indonesian Muslim community. After being initiated by PT Asuransi Takaful Keluarga, sharia insurance and sharia business unit branch insurance made by conventional companies began to be established as an alternative for Muslims in conducting insurance in the country. (Siddiq, 2017).

### **Islamic Financial Statements**

Financial reports are basically the result of an accounting process that can be used as a tool to communicate between financial data or activities of a company and parties with an interest in the company (Herispon, 2008). In other words, financial reports function as an intermediary for a company to inform about the company's financial condition and performance with parties with an interest in the financial data.

Islamic financial statements are financial statements that record all past financial events based on sharia principles (Suryadi, 2019). This means that past events are recorded based on certain assumptions and accurate supporting evidence, which can be justified by the principles of Islamic financial reporting. Whereas in sharia insurance, in the Circular Letter of the Financial Services Authority Number 4/SEOJK.05/2013 concerning monthly reports of insurance companies and reinsurance companies that organize all of their business with sharia principles and sharia units of insurance companies and reinsurance companies. The report consists of :

1. *Tabarru'* Fund Report
  - a. Statement of Financial Position
  - b. *Surplus Underwriting* Statement

- c. Cash Flow Statement
  - d. Tabarru' Fund Financial Health Statement
  - e. Asset and Liability Conformity Analysis Statement
2. Company Fund Report
- a. Statement of Financial Position
  - b. Statement of Comprehensive Income
  - c. Cash Flow Statement
  - d. Statement of Financial Health of the Enterprise Fund
  - e. Asset and Liability Suitability Analysis Statement
3. Participant Investment Fund Statement
- a. Statement of Financial Position
  - b. Statement of Changes in Participant Investment Fund
  - c. Asset and Liability Conformity Analysis Statement
4. Summary Statements of Tabarru' Fund, Tabarru Fund, and Participants' Funds

### **Company Performance Measurement Using Early Warning System**

Company performance can be measured through various indicators and variables, which generally focus on performance information derived from the company's financial statements so that the success of a company can be measured (Fadhilah, 2018). So it can be concluded that the company's performance will be easily assessed if it calculates performance through a company's financial statements which are commonly referred to as financial performance.

The purpose of assessing company performance is to determine the level of profitability or profitability, liquidity, solvency, and stability of a company by reviewing financial statement data, calculating, comparing the results of the calculations obtained, interpreting the problems found and finding and providing solutions to various problems found so that companies can evaluate and improve their performance going forward. To find out the company's financial performance, the company needs to analyze financial performance in one way, namely analyzing financial ratios (Hutabarat, 2020).

There are other types of financial performance measurement, namely by using the Early Warning System (EWS) method this system is designed to give management the maximum preparation time to identify opportunities or threats that may affect the financial condition and performance of the company and serves as a prioritization tool in selecting insurance companies to be examined directly. Early Warning System is a benchmark calculation made by The National Association of Insurance Commissioners (NAIC) or the American Insurance

Business Supervisory Agency in measuring financial performance and assessing the health level of insurance companies.

The Early Warning System evaluates the financial capability and performance of insurance companies through a series of testing ratios applied to their financial statements. These ratios can be categorized as follows:

1. Solvency ratio

Solvency ratios show how much debt the company has and how well it can meet its long-term obligations. Solvency ratios include:

- a. Solvency margin ratio, shows how much the company's financial ability to bear the risks that are closed. By comparing between own capital and net premiums and has a minimum ratio limit of 33.3%.
- b. Adequacy of Funds, measuring the level of adequacy of company funds related to the company's total operations and the company's commitment to the company's operations. with the total operations owned by the company as well as the company's commitment in running the business. running the business. By comparing own capital and total assets and has a minimum ratio limit of 100%.

2. Profitabilitas Ratio

Profitability ratios show the company's ability to generate profits or profits within a certain period of time. Profitability ratios include:

- a. Underwriting ratio, shows the level of underwriting results received by an insurance company and also measures the level of profit that can be obtained from pure insurance business. By comparing underwriting results and premium income and has a minimum ratio limit value of 40%.
- b. The Claims Expense Ratio (Loss Ratio), describes the claims experience incurred as well as the quality of the closing business. A poor ratio greatly affects the assessment of the insurance company's ability. By comparing between claims incurred (claims expense) and premium income and has a maximum ratio limit of 100%.

3. Liquidity Ratio

Asset Liquidity Ratio, describes the ability of an insurance company to fulfill the company's obligations so that it illustrates the financial condition of an insurance company whether liquid or not. By comparing the total liabilities and assets allowed and has a maximum limit of 120%.

#### 4. Premium Stability Ratio

- a. Premium Growth Ratio, to illustrate the success of an insurance company in carrying out its operational activities. By comparing the increase or decrease in net premiums and net premiums last year and the minimum limit of 23%.
- b. Own Retention Ratio, to measure the level of company retention which can later be used as a basis for comparing the actual ability of the company with the available funds. So that finally an adequate retention capacity will be obtained. By comparing the value of net premiums and gross premiums and has a minimum limit, which is 33.3%.

#### 5. Technical Liability Ratio

The Technical Liability Ratio is a very important ratio because it is a measure of the company's readiness to handle liabilities that can be technically foreseen. A low ratio indicates that the company is under-reserved while a high ratio indicates that the business portfolio is unevenly distributed throughout the year or there is an element of deliberation to reduce the tax burden. In addition, this ratio also sets a normal limit for the technical reserve ratio for tax reasons, because technical reserves are a factor that reduces company profits, namely with a normal ratio limit between the minimum limit of 40% and the maximum limit of 60% (Maulana, 2018).

### 3. RESEARCH METHOD

The type of research used is qualitative research with quantitative data and descriptive approach and uses panel data which is a combination of time series (many times) and cross sectional (many companies) using financial ratio analysis in Islamic insurance companies, including Solvency Margin Ratio, Underwriting Ratio, Claims Expense Ratio, Liquidity Ratio, Premium Growth Ratio, Self Retention Ratio and Technical Liability Ratio. Then, the data source that will be used is the annual financial statements of sharia business unit life insurance companies in 2019-2023 in Indonesia published on the Financial Services Authorization (OJK) website.

The population used in this study is a sharia business unit life insurance company located in Indonesia with a total of 22 (twenty-two) companies. The sample selection method that will be used is purposive sampling method which is based on several considerations, including sharia business unit life insurance companies that upload annual financial reports in the 2019-2023 period. The number of sharia business unit life insurance companies to be studied is 16 (sixteen) companies.

Calculation of the financial performance of each company in 2019-2023 using the ratios in the Early Warning System. These ratios can be calculated using the following:

1. Solvency ratio

$$\text{a. Solvency Margin Ratio} = \frac{\text{Capital}}{\text{Net Contribution}} \times 100 \quad (1)$$

$$\text{b. Funding Adequacy Ratio} = \frac{\text{Capital}}{\text{Total Assets}} \times 100 \% \quad (2)$$

2. Profitabilitas Ratio

$$\text{a. Underwriting Ratio} = \frac{\text{Underwriting Result}}{\text{Contribution Income}} \times 100 \% \quad (3)$$

$$\text{b. Claims Expense Ratio} = \frac{\text{claims incurred}}{\text{Contribution income}} \times 100 \% \quad (4)$$

3. Liquidity Ratio

$$\text{Liquidity Ratio} = \frac{\text{Liability}}{\text{Allowable assets}} \times 100 \% \quad (5)$$

4. Rasio Stabilitas Premi

$$\text{a. Premium Growth Rasio} = \frac{\text{Increase decrease in net contribution}}{\text{Net Contribution last year}} \times 100 \% \quad (6)$$

$$\text{b. Own Retention Ratio} = \frac{\text{Net Contribution}}{\text{Gross Contribution}} \times 100 \% \quad (7)$$

5. Technical Liability Ratio

$$\text{Technical Liability Ratio} = \frac{\text{Technical Obligations}}{\text{Net Contribution}} \times 100 \% \quad (8)$$



#### 4. FINDINGS AND DUSCUSSION

Syakir Sula (2004) explains that sharia insurance is a concept where participants bear the risks that will arise from each other on the basis of mutual assistance in goodness through Tabarru' funds which are also called benevolent funds or charity. It can be understood that the participants involved in the sharia insurance process make all the participants as a family who bear the risks faced by each other. As for this research, it discusses sharia business unit branch insurance made by conventional companies as an alternative for Muslims in conducting insurance.

Until 2024, there are 22 (twenty-two) sharia business unit life insurance companies. However, there are only 16 (sixteen) sharia unit companies that survive and exist until now. Open access that can be obtained and data transparency are the reasons why research can be carried out to find out the financial performance of each Islamic business unit insurance. The following is a list of sharia business unit life insurance companies that were used as research samples :

Table 1. list of Sharia Business Unit Life Insurance Companies

No	Name of Sharia Business Unit Life Insurance Company
1	PT AIA Financial
2	PT Asuransi Allianz Life Indonesia
3	PT Asuransi Jiwa Central Asia Raya
4	PT Asuransi Jiwa Manulife Indonesia
5	PT Asuransi Simas Jiwa
6	PT Asuransi Jiwa Sinar Mas MSIG
7	PT Avrist life Assurance
8	PT Axa Financial Indonesia
9	PT Axa Mandiri Financial Services
10	PT BNI Life Insurance
11	PT Great Eastern Life Indonesia
12	PT Panin Daichi Life
13	PT Sun Life Financial Indonesia
14	PT Tokio Marine Life Insurance Indonesia
15	PT Chubb Life Assurance
16	PT Asuransi Jiwa Reliance Life Indonesia

## 1. Summary of Financial Performance Results of Sharia Business Unit Life Insurance Company.

The following is a summary of the financial performance results of 16 (sixteen) sharia business unit life insurance companies used as research samples:

### A. Solvency Margin Ratio

The solvency margin ratio is used to determine how much the financial ability of the insurance company to bear the obligations that may arise from closing the risks it carries out. Solvency margin ratio is calculated by comparing equity capital with net premiums. The solvency ratio has a minimum normal limit of 33.3% as a reference that the level of solvency in the financial performance can be said to be good (Wulandari, 2018). The solvency margin ratio data on sharia business unit life insurance companies are as follows:

Table 2. Summary of Solvency Margin Ratio Results

Company name	Years					Average
	2019	2020	2021	2022	2023	
PT. AIA Financial	5848%	3098%	1797%	3703%	6481%	4185,47%
criteria	Good	Good	Good	Good	Good	
PT. Allianz Life Indonesia	401,08%	394,29%	632,15%	553,14%	5,93%	397,32%
criteria	Good	Good	Good	Good	Not Good	
PT. Central Asia Raya	7403%	3877%	2807%	188,44%	237,97%	2902,83%
Criteria	Good	Good	Good	Good	Good	
PT. Manulife Indonesia	1194%	1466%	1004%	643,97%	652,18%	991,93%
Criteria	Good	Good	Good	Good	Good	
PT. Simas Jiwa	-3318%	-6398%	1579%	939,38%	689,64%	-1301,60%
Criteria	Not Good	Not Good	Good	Good	Good	
PT. Sinar Mas MSIG	243,42%	266,04%	200,69%	402,25%	267,95%	276,07%
Criteria	Good	Good	Good	Good	Good	
PT. Avrist life Assurance	990,34%	1767%	3343%	4101%	1987%	2437,66%
Criteria	Good	Good	Good	Good	Good	
PT. Axa Financial Indonesia	3261%	3600%	3035%	3837%	3412%	3428,97%
Criteria	Good	Good	Good	Good	Good	
PT. Axa Mandiri Financial Services	1225%	1466%	1699%	1585%	1645%	1524,00%
Criteria	Good	Good	Good	Good	Good	

Company name	Years					Average
PT. BNI Life Insurance	192,06%	181,46%	210,86%	180,30%	149,09%	182,75%
Criteria	Good	Good	Good	Good	Good	
PT. Great Eastern Life Indonesia	3480%	15829%	14533%	1976%	423,80%	7248,52%
Criteria	Good	Good	Good	Good	Good	
PT. Panin Daichi Life	2437%	2243%	1997%	1372%	1202%	1850,30%
Criteria	Good	Good	Good	Good	Good	
PT. Sun Life Financial Indonesia	506,68%	351,74%	82,74%	53,15%	54,34%	209,73%
Criteria	Good	Good	Good	Good	Good	
PT. Tokio Marine Life Insurance Indonesia	11308%	12432%	24986%	38388%	46688%	26760,47%
Criteria	Good	Good	Good	Good	Good	
PT. Chubb Life Assurance	8294%	3636%	1706%	290,81%	1727%	3130,76%
Criteria	Good	Good	Good	Good	Good	
PT. Reliance Life Indonesia	-26594%	7080%	-25699%	259,66%	92,69%	-8972,13%
Criteria	Not Good	Good	Not Good	Good	Good	

Source: processed by the author

Based on the table above, it can be seen the value of the solvency margin ratio in each sharia business unit life insurance company. There is 1 (one) sharia business unit life insurance company that has increased every year, namely PT. Tokio Marine Life Insurance which experienced a significant increase every year of 11.508% in 2019 to 46.688% in 2023. Furthermore, there are 10 (ten) companies that experienced fluctuations in the solvency margin ratio value in the 2019-2023 period, namely, PT IAI Financial, PT Allianz Life Indonesia, PT Jiwa Central Asia Raya, PT Jiwa Manulife Indonesia, PT Simas Jiwa, PT Sinar Mas MSIG, PT Avrist Life Assurance, PT BNI Life Insurance, PT Chubb Life Assurance, and PT Reliance Life Indonesia. There are 2 (two) companies that have a solvency margin ratio value with the lowest ratio value, namely PT. Simas Jiwa of -3318% in 2019 and -6398% in 2020 and then there is PT. Jiwa Reliance Life Indonesia which also has the lowest ratio value with a ratio value of -26494% in 2019 and -25699% in 2021. This happens because the net premium value is minus so that when calculated it will affect the results of the solvency margin ratio value.

Then there are 2 (two) life insurance companies whose solvency margin ratio value is always stable every year, namely PT Axa Financial Indonesia with a ratio value of 3000% and PT Axa Mandiri Financial Services with a ratio value of 1000% in 5 years. However, there are 3 (three) sharia business unit life insurance companies that have decreased every year, namely PT Great Eastern Life Indonesia, PT Panin Daichi Life and PT Sun Life Financial Indonesia. The lowest decrease in solvency margin ratio value is at PT Sun Life Financial Indonesia, which experienced a significant decrease with an initial ratio value of 506.68% in 2019 to 54.34% in 2023. The decline occurred because the equity capital decreased continuously every year so that it affected the solvency margin ratio value.

In the Sharia Business Unit there is a risk through the underwriting process so that the tabarru fund underwriting surplus deficit report of PT Reliance Life Insurance has a tabarru fund deficit but is still within the minimum risk level (Pratama & Rahmi, 2022). So it can be concluded that the decline that occurred in the solvency margin ratio of PT Reliance Life Insurance was due to minus net premiums due to high reinsurance premiums so that it affected the calculation of the solvency margin ratio which was also minus.

From the explanation above, the financial performance of Islamic business unit life insurance companies in the solvency margin ratio can be said to be very Good because almost all Islamic business unit life insurance companies have exceeded the minimum limit set at 33.3%. This shows that the company's financial capacity is very good to bear the risks that may arise in the future due to the high receipt of contributions.

However, the decline of 3 (three) companies indicates that the ability of insurance companies to cover risks is still somewhat lacking. Therefore, the company is expected to better maintain the balance of equity capital and contribution revenue so that the solvency margin ratio can continue to increase in the following years.

## **B. Fund Adequacy Ratio**

The ratio of the adequacy of funds is a ratio that shows where the company still needs commitment in running its business which can be seen from the capital owned to support assets. The minimum limit on this ratio is 100%. The data on the ratio of the adequacy level of funds in the sharia business unit life insurance company is as follows :

Table 3. Summary of Fund Adequacy Ratio Results

No	Company Name	2019	2020	2021	2022	2023	Average
1	PT AIA Financial	27,93%	16,16%	13,71%	25,85%	91,86%	35,10%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
2	PT. Allianz Life Indonesia	20,99%	24,82%	29,83%	32,12%	100,01%	41,55%
	Criteria	Not Good	Not Good	Not Good	Not Good	Good	
3	PT. Central Asia Raya	29,72%	30,56%	30,13%	31,82%	29,25%	30,30%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
4	PT. Jiwa Manulife Indonesia	39,83%	41,80%	33,36%	29,36%	89,04%	46,68%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
5	PT. Simas Jiwa	6,11%	5,54%	2,24%	2,54%	3,60%	4,01%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
6	PT. Sinar Mas MSIG	16,21%	18,92%	14,69%	27,28%	21,79%	19,78%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
7	PT Avrist life Assurance	36,18%	33,55%	29,94%	32,10%	18,98%	30,15%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
8	PT Axa Financial Indonesia	43,51%	51,89%	50,78%	50,38%	50,10%	49,33%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
9	PT Axa Mandiri Financial Services	19,52%	22,48%	26,30%	25,73%	27,66%	24,34%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
10	PT BNI Life Insurance	26,76%	26,42%	26,40%	25,83%	86,01%	38,28%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
11	PT Great	62,97%	71,16%	71,56%	64,67%	44,78%	63,03%

No	Company Name	2019	2020	2021	2022	2023	Average
	Eastern Life Indonesia						
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
12	PT Panin Daichi Life	60,37%	60,78%	65,15%	67,29%	93,33%	69,38%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
13	PT Sun Life Financial Indonesia	14,85%	11,07%	3,82%	2,95%	3,10%	7,16%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
14	PT Tokio Marine Life Insurance Indonesia	77,68%	78,35%	80,82%	81,46%	82,76%	80,21%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
15	PT Chubb Life Assurance	84,16%	80,56%	71,61%	73,63%	70,12%	76,02%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
16	PT. Reliance Life Indonesia	55,43%	44,97%	50,23%	53,90%	40,65%	49,04%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	

Source: processed by the author

Based on the data table above, it can be seen the performance of the ratio of the sufficiency rate of funds in each sharia business unit life insurance company. There are 3 (three) companies that have increased from 2019-2023, namely PT Allianz Life Insurance, PT Panin Daichi Life and PT Tokio Marine Life Insurance Indonesia. Of the 9 companies that experienced an increase, there was 1 company that experienced a fairly stable increase in 5 years, namely, PT Tokio Marine Life Insurance Indonesia with a ratio value of 77.68% in 2019 to 82.83% in 2023, but there was only 1 company that reached the minimum limit of the fund adequacy level ratio, namely PT. Asuransi Allianz Life Indonesia of 100.01% in 2023.

There are 13 (thirteen) companies that experience fluctuations in the value of the ratio of the level of sufficiency of funds in 5 years, namely PT. AIA Financial, PT. Central Asia Raya, PT. Jiwa Manulife Indonesia, PT. Simas Jiwa, PT. Sinar Mas

MSIG, PT. Avrist life Assurance, PT. Axa Financial Indonesia, PT. Axa Mandiri Financial Services, PT. BNI Life Insurance, PT. Great Eastern Life Indonesia, PT. Sun Life Financial Indonesia, PT. Chubb Life Assurance and PT. Reliance Life Insurance Indonesia. Of the 13 (thirteen) companies, there are 2 (two) companies with very small ratio values, namely, PT. Simas Jiwa has a fluctuation value with the highest ratio value of 6.11% in 2019 and the lowest ratio value of 2.24% in 2021. Furthermore, there is PT Sun Life Financial Indonesia with the highest ratio value of 14.85% in 2019 and the lowest ratio value of 3.10% in 2023.

The ratio of the adequacy level of funds from 16 (sixteen) sharia business unit life insurance companies above can be concluded that it is still very far from the minimum limit that must be achieved by every insurance company that will run its operations, so it can be said to have Not Good performance. The company still shows weak capital owned where total assets are still mostly funded by debt and not by capital. SeGood the company can add more capital to assets so as not to be constantly financed by debt.

### C. Underwriting Ratio

This ratio shows the underwriting results that can be obtained by the company as well as measuring the profit level of the pure insurance business as a whole. Underwriting ratio also serves as a determinant of the condition of the insurance company's operating profit or increase in operating profit. The minimum limit of the underwriting ratio is 40%. The data on the results of the calculation of the underwriting ratio in the sharia business unit life insurance company are as follows:

Table 3. Summary of Underwriting Ratio Results

No	Company Name	2019	2020	2021	2022	2023	Average
1	PT. AIA Financial	113,24%	37,18%	46,83%	91,12%	65,69%	70,81%
	Criteria	Good	Not Good	Good	Good	Good	
2	PT. Allianz Life Indonesia	38,27%	35,15%	11,21%	1,55%	47,00%	26,64%
	Criteria	Not Good	Not Good	Not Good	Not Good	Good	
3	PT. Central Asia Raya	305,76%	435,92%	364,07%	17,21%	-3,60%	223,87 %
	Criteria	Good	Good	Good	Not	Not	

No	Company Name	2019	2020	2021	2022	2023	Average
					Good	Good	
4	PT. Jiwa Manulife Indonesia	8,50%	18,87%	27,30%	25,93%	45,56%	25,23%
	Criteria	Not Good	Not Good	Not Good	Not Good	Good	
5	PT. Simas Jiwa	4126%	14466%	396,90%	84,22%	106,26%	3835%
	Criteria	Good	Good	Good	Good	Good	
6	PT. Sinar Mas MSIG	66,67%	83,22%	75,03%	17,31%	10,44%	50,53%
	Criteria	Good	Good	Good	Not Good	Not Good	
7	PT. Avrist life Assurance	46,44%	58,33%	34,09%	29,42%	104,70%	54,60%
	Criteria	Good	Good	Not Good	Not Good	Good	
8	PT. Axa Financial Indonesia	60,38%	43,67%	20,92%	-6,22%	-3,99%	22,95%
	Criteria	Good	Good	Not Good	Not Good	Not Good	
9	PT. Axa Mandiri Financial Services	76,57%	92,01%	44,41%	51,24%	81,11%	69,07%
	Criteria	Good	Good	Good	Good	Good	
10	PT. BNI Life Insurance	4,62%	11,43%	14,16%	12,45%	6,22%	9,77%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
11	PT. Great Eastern Life Indonesia	131,07%	843,96%	848,11%	152,38%	77,42%	410,59 %
	Criteria	Good	Good	Good	Good	Good	
12	PT. Panin Daichi Life	170,43%	124,23%	111,62%	85,56%	10,19%	100,41 %
	Criteria	Good	Good	Good	Good	Not Good	
13	PT. Sun Life Financial Indonesia	17,58%	18,15%	10,96%	13,67%	16,36%	15,35%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
14	PT. Tokio Marine Life Insurance	850,06%	868,81%	2024%	3900%	5110%	2550 %



No	Company Name	2019	2020	2021	2022	2023	Average
	Indonesia						
	Criteria	Good	Good	Good	Good	Good	
15	PT. Chubb Life Assurance	-7,10%	0,57%	15,23%	0,32%	32,99%	8,40%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
16	PT. Reliance Life Indonesia	-14,94%	-54,47%	-240,11%	-19,65%	-0,48%	-65,93%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	

Source: processed by the author

Based on the table above, it shows the value of the underwriting ratio of sharia business unit life insurance companies in 5 years. There is 1 (one) company that has underwriting ratio results that increase every year, namely PT Tokio Marine Life Insurance Indonesia which has experienced a significant increase and exceeds the minimum underwriting ratio of 850.06% in 2019 to 5110% in 2023.

There are 12 (twelve) companies that experience fluctuations every year, namely, PT. AIA Financial, PT. Allianz Life Indonesia, PT. Central Asia Raya, PT. Jiwa Manulife Indonesia, PT. Simas Jiwa, PT. Avrist life Assurance, PT. Axa Mandiri Financial Services, PT. BNI Life Insurance, PT. Great Eastern Life Indonesia, PT. Sun Life Financial Indonesia, PT. Chubb Life Assurance. Simas Jiwa experienced fluctuations dominated by high values in 5 years, where the highest ratio value occurred in 2020 at 14,466% and the lowest ratio value was 84.22% in 2022. Furthermore, there is PT Chubb Life Assurance which experienced sharp fluctuations with the highest ratio value of 32.99% and the lowest ratio value of -7.10%, this occurred due to the small underwriting results obtained by the company. But overall, companies that experience partial fluctuations are still dominated by underwriting ratios that exceed the minimum limit of 40%.

Then there are 3 (three) companies that experience a significant decline every year, namely PT Axa Financial Indonesia, PT Panin Daichi Life, and PT Reliance Life Indonesia. Of the 3 (three) companies, PT. Reliance Life Insurance Indonesia experienced a very worrying decline because the entire ratio value was minus for 5 years. This is because PT Asuransi Jiwa Reliance Indonesia Sharia Unit has obstacles

in a series of underwriting processes so that it faces the risk of underwriting deficits in every underwriting process carried out.

Declining underwriting results in insurance companies indicate that there is a possibility that premium rates are lower than they should be. One of the factors causing declining underwriting results is a less selective underwriting process, which in turn can reduce profits and can increase the claim burden which is quite high. Insurance companies are expected to manage premium income and claim payments so that the company continues to be in good condition and does not experience an underwriting deficit.

#### D. Claim Expense Ratio

The claims expense ratio is used to measure profitability in insurance companies and serves to display the claims that arise in the company and is also used to calculate the quality of coverage. The claims expense ratio also illustrates the claims experience that occurs and the quality of the closing business. This ratio has a maximum limit interpretation of 100%. The data on the results of the calculation of the claim expense ratio in the sharia business unit life insurance company are as follows :

Table 4. Summary of Claims Expense Ratio Results

No	Company Name	2019	2020	2021	2022	2023	Average
1	PT. AIA Financial	8,85%	11,99%	34,48%	24,10%	102,76%	36,44%
	Criteria	Good	Good	Good	Good	Not Good	
2	PT. Allianz Life Indonesia	38,55%	26,87%	49,02%	40,48%	104,10%	51,80%
	Criteria	Good	Good	Good	Good	Not Good	
3	PT. Central Asia Raya	228,68%	323,25%	356,85%	41,75%	41,85%	198,48%
	Criteria	Not Good	Not Good	Not Good	Good	Good	
4	PT. Jiwa Manulife Indonesia	21,13%	33,04%	39,77%	30,96%	47,91%	34,56%
	Criteria	Good	Good	Good	Good	Good	
5	PT. Simas Jiwa	1392%	4763%	199,76%	37,50%	38,77%	1286,21%
	Criteria	Good	Good	Good	Good	Good	
6	PT. Sinar Mas	43,18%	58,82%	118,57%	72,63%	52,05%	69,05%

No	Company Name	2019	2020	2021	2022	2023	Average
	MSIG						
	Criteria	Good	Good	Not Good	Good	Good	
7	PT. Avrist life Assurance	38,79%	26,34%	88,32%	49,90%	68,47%	54,36%
	Criteria	Good	Good	Good	Good	Good	
8	PT. Axa Financial Indonesia	56,64%	38,66%	85,91%	44,16%	36,69%	52,41%
	Criteria	Good	Good	Good	Good	Good	
9	PT. Axa Mandiri Financial Services	-35,56%	-34,99%	-35,43%	-32,10%	-22,66%	-32,15%
	Criteria	Not Good	Not Good	Not Good	Not Good	Tidak Good	
10	PT. BNI Life Insurance	86,29%	66,32%	73,76%	75,44%	77,39%	75,84%
	Criteria	Good	Good	Good	Good	Good	
11	PT. Great Eastern Life Indonesia	0,00%	623,23%	90,51%	4,08%	2,00%	143,96%
	Criteria	Good	Not Good	Good	Good	Good	
12	PT. Panin Daichi Life	106,67%	54,11%	147,26%	106,13%	69,96%	96,82%
	Criteria	Not Good	Good	Not Good	Not Good	Good	
13	PT. Sun Life Financial Indonesia	11,54%	11,55%	21,69%	10,86%	31,91%	87,55%
	Criteria	Good	Good	Good	Good	Good	
14	PT. Tokio Marine Life Insurance Indonesia	43,51%	109,88%	27,54%	42,86%	48,02%	54,36%
	Criteria	Good	Not Good	Good	Good	Good	
15	PT. Chubb Life Assurance	3,08%	13,03%	26,27%	23,71%	84,69%	30,16%
	Criteria	Good	Good	Good	Good	Good	
16	PT. Reliance Life Indonesia	-12,22%	-36,63%	-8,77%	-169,52%	22,77%	-40,87%
	Criteria	Not Good	Not Good	Not Good	Not Good	Good	

Source: processed by the author

Based on the table data above, shows the value of the claim expense ratio for each sharia business unit life insurance company in Indonesia. The results of the claim expense ratio, there is 1 (one) company that has increased every year, namely PT Chubb Life Assurance with a ratio value of 3.08% in 2019 and continues to increase to 84.69% in 2023. However, the increase that occurs is not a good thing because it tells of the company's lack of selectivity in managing the company's underwriting process, but because PT Chubb Life is still below the maximum ratio limit, it means that the company can be said to be still quite capable of paying claims that occur.

There are 13 (thirteen) companies that experience fluctuations, namely PT. AIA Financial, PT. Allianz Life Indonesia, PT. Central Asia Raya, PT. Jiwa Manulife Indonesia, PT. Simas Jiwa, PT. Sinar Mas MSIG, PT. Avrist life Assurance, PT. Axa Financial Indonesia, PT. BNI Life Insurance, PT. Great Eastern Life Indonesia, PT. Panin Daichi Life, PT. Sun Life Financial Indonesia and PT. Tokio Marine Life Insurance Indonesia. PT Great Eastern Life Indonesia has a ratio value that fluctuates sharply, with a ratio value of 0.00% in 2019, then a high increase of 632.23% in 2020 and continues to decline to 2.00% in 2023. Sharp fluctuations indicate that the company is experiencing a less good underwriting process.

Furthermore, there are 2 (two) companies that have decreased, namely PT Axa Mandiri Financial Services and PT Reliance Life Indonesia. The company experienced a significant decline to have a minus ratio value due to lack of funds in paying claims that occurred.

The results of the claim expense ratio in each company still cannot be said to be Good because more companies experience fluctuations than those that experience an increase. This shows the company's financial ability to pay claims is less good. The high claim expense indicates the amount of funds spent to cover claims and benefits to the insured party, as well as the poor underwriting process of the company. If the claim expense is greater than the premium income, it clearly shows a negative amount in the profit post or reduces the company's profit gain (Wulandari, 2018). The company is expected to need to be careful in carrying out the underwriting process and as much as possible must minimize the claim burden that occurs..

### E. Liquidity Ratio

This ratio has an early warning system interpretation with a maximum normal limit of 120%. The liquidity ratio functions for companies in fulfilling company obligations and explains the situation regarding the company's financial ratios that are in a liquid or non-liquid state (Antoni, 2021). The data on the results of the calculation of liquidity ratios in sharia business unit life insurance companies are as follows:

Table 5. Summary of Liquidity Ratio Results

No	Company Name	2019	2020	2021	2022	2023	Average
1	PT AIA Financial	28,45%	450,10%	248,21%	127,39%	54,77%	181,78%
	Criteria	Good	Not Good	Not Good	Not Good	Good	
2	PT Asuransi Allianz Life Indonesia	87,78%	126,14%	177,95%	162,43%	100,01%	130,86%
	Criteria	Good	Not Good	Not Good	Not Good	Good	
3	PT Asuransi Jiwa Central Asia Raya	117,24%	113,28%	132,49%	122,66%	128,73%	122,88%
	Criteria	Good	Good	Not Good	Not Good	Not Good	
4	PT Asuransi Jiwa Manulife Indonesia	110,79%	94,09%	65,13%	68,21%	67,22%	81,09%
	Criteria	Good	Good	Good	Good	Good	
5	PT Asuransi Simas Jiwa	419,05%	61,94%	329,28%	255,35%	156,20%	244,36%
	Criteria	Not Good	Good	Not Good	Not Good	Not Good	
6	PT Asuransi Jiwa Sinar Mas MSIG	122,34%	114,51%	112,59%	152,07%	144,25%	129,15%
	Criteria	Not Good	Good	Good	Not Good	Not Good	

No	Company Name	2019	2020	2021	2022	2023	Average
7	PT Avrist life Assurance	123,04%	113,24%	137,20%	140,08%	118,66%	126,44%
	Criteria	Not Good	Good	Not Good	Not Good	Good	
8	PT Axa Financial Indonesia	0,00%	123,77%	147,37%	190,05%	137,08%	119,65%
	Criteria	Good	Not Good	Not Good	Not Good	Not Good	
9	PT Axa Mandiri Financial Services	95,87%	118,60%	124,88%	132,85%	105,24%	115,49%
	Criteria	Good	Good	Not Good	Not Good	Good	
10	PT BNI Life Insurance	115,16%	101,87%	102,59%	99,74%	73,32%	492,69%
	Criteria	Good	Good	Good	Good	Good	
11	PT Great Eastern Life Indonesia	89,43%	75,98%	75,28%	84,01%	99,31%	84,80%
	Criteria	Good	Good	Good	Good	Good	
12	PT Panin Daichi Life	77,21%	110,10%	111,99%	109,67%	52,43%	92,28%
	Criteria	Good	Good	Good	Good	Good	
13	PT Sun Life Financial Indonesia	294,93%	283,03%	288,22%	224,16%	168,87%	251,84%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
14	PT Tokio Marine Life Insurance Indonesia	52,22%	58,66%	34,68%	22,99%	14,33%	36,57%
	Criteria	Good	Good	Good	Good	Good	
15	PT Chubb Life Assurance	161,38%	175,15%	154,29%	199,46%	109,42%	159,94%
	Criteria	Not Good	Not Good	Not Good	Not Good	Good	
16	PT	102,30%	140,78%	112,12%	95,56%	94,70%	109,09%

No	Company Name	2019	2020	2021	2022	2023	Average
	Asuransi Jiwa Reliance Life Indonesia						
	Criteria	Good	Not Good	Good	Good	Good	

Source : processed by the author

Based on the data table above, it can be seen the value of the liquidity ratio of Islamic business unit life insurance companies within a period of 5 years. All sharia business unit life insurance companies in the table experience fluctuations every year and in these 5 years the ratio values of each company, some are included in the Good and Not Good performance criteria. However, there are 5 (five) companies that are still included in the Good performance criteria in each year, namely PT Manulife Life Insurance Indonesia, PT BNI Life Insurance, PT Great Eastern Life Indonesia, PT Panin Daichi Life and PT Tokio Marine Life Insurance Indonesia. BNI Life Insurance almost exceeds the maximum limit of liquidity ratio of 115.16% in 2019 to 73.32% in 2023. As for PT Tokio Marine Life Insurance Indonesia, which has a liquidity ratio value that continues to decline from 52.22% in 2019 to 14.33% in 2023, but this can be said to be in a Good condition and is said to be liquid so that it is able to fulfill or cover its obligations with all the assets owned by the company.

Liquidity conditions in insurance that are sampled tend to be Not Good because most companies fluctuate which exceeds the value of the liquidity ratio in the current 5 years. This shows that the company is likely to be difficult to avoid the risk of failing to pay its debts. The results of this study explain that every insurance company needs to conduct company finances with prudence so that the company can avoid the risk of default and maintain the company's condition so that it is always liquid by analyzing in the short and long term. So that trust in the company can be maintained.

## F. Contribution Growth Ratio

The premium growth ratio is a ratio used to show how much the premium increased in the current year compared to the previous year. This ratio can also be used by the company to measure its performance and help improve the company's accountability. If the ratio value is at least 23%, then premium growth is considered normal. An increase or decrease in premium volume can also result in unstable insurance company operations. The data on the results of the calculation of the premium growth ratio in the sharia business unit life insurance company are as follows:

Table 6. Summary of Premium Growth Results

N	Company Name	2019	2020	2021	2022	2023	Average
1	PT. AIA Financial	-9,20%	-25,14%	-27,25%	-39,01%	-32,51%	-26,62%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
2	PT. Allianz Life Indonesia	-10,09%	43,58%	-25,58%	29,85%	20,66%	11,68%
	Criteria	Not Good	Good	Not Good	Good	Not Good	
3	PT. Central Asia Raya	658,02%	102,28%	44,28%	1952%	-6,23%	550,06%
	Criteria	Good	Good	Good	Good	Not Good	
4	PT. Manulife Indonesia	4,42%	-2,97%	5,78%	49,25%	3,57%	12,01%
	Criteria	Not Good	Not Good	Not Good	Good	Not Good	
5	PT. Simas Jiwa	632,54%	-41,82%	-404,46%	274,51%	69,61%	106,08%
	Criteria	Good	Not Good	Not Good	Good	Good	
6	PT. Asuransi Jiwa Sinar Mas MSIG	-12,27%	-5,48%	2,74%	-2,40%	6,13%	-2,26%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
7	PT. Avrist life Assurance	31,71%	-34,03%	-45,42%	-17,15%	-26,12%	-18,20%
	Criteria	Good	Not Good	Not Good	Not Good	Not Good	
8	PT. Axa Financial Indonesia	0,00%	-9,47%	2,26%	-22,29%	15,50%	-2,80%



N	Company Name	2019	2020	2021	2022	2023	Average
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
9	PT. Axa Mandiri Financial Services	-0,25%	-4,74%	-11,17%	-1,18%	-6,72%	-4,81%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
10	PT. BNI Life Insurance	-10,80%	22,42%	-0,81%	37,58%	39,20%	17,52%
	Criteria	Not Good	Not Good	Not Good	Good	Good	
11	PT. Great Eastern Life Indonesia	-28,30%	-77,16%	11,93%	633,09%	374,57%	182,83%
	Criteria	Not Good	Not Good	Not Good	Good	Good	
12	PT. Panin Daichi Life	55,62%	21,20%	23,81%	56,28%	20,99%	35,58%
	Criteria	Good	Not Good	Good	Good	Not Good	
13	PT. Sun Life Financial Indonesia	-10,66%	17,89%	63,76%	48,22%	16,12%	27,07%
	Criteria	Not Good	Not Good	Good	Good	Not Good	
14	PT. Tokio Marine Life Insurance Indonesia	12,36%	-5,21%	-48,27%	-34,25%	-14,97%	-18,07%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
15	PT. Chubb Life Assurance	24,93%	303,07%	92,06%	424,08%	-25,64%	163,70%
	Criteria	Good	Good	Good	Good	Not Good	
16	PT. Reliance Life Indonesia	-1118%	-425,45%	-133,20%	-10639%	-22,69%	-2467,75%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	

Source : Processed By The Author

Based on the data table above, shows the value of the premium growth ratio in each sharia business unit life insurance company in Indonesia for 5 years, where all sharia business unit insurance companies experience fluctuations. There are 2 (two) companies with a minus ratio value for 5 years, namely PT. AIA Financial and PT. Reliance Life Indonesia. PT. AIA Financial has a minus ratio value due to net premiums that continue to decline every year, which causes the calculation of the increase in the decline in net premiums to be minus due to the high net premiums of the current year compared to last year's net premiums, while PT. Reliance Life Indonesia has a minus ratio value due to several net premiums which basically experience minus so that it affects the value of the premium growth ratio which also becomes minus.

This shows that the company lacks a level of stability in carrying out the operational activities of insurance companies, so companies need to pay attention to performance by managing the growth of premiums every year by maintaining a good relationship with insurance participants.

#### G. Self-retention Ratio

This ratio is used to measure the company's retention rate or measure how much premium is retained by itself compared to premiums received directly. However, the higher the result of this ratio, the better the company's performance. because, the company is able to bear the risk of its own claims without the support of reinsurance companies with a minimum limit of 33.3% (Wulandari, 2018). The data on the results of the calculation of the self-retention ratio in the sharia business unit life insurance company are as follows :

Table 7. Summary of Self-Retention Ratio Results

No	Company Name	2019	2020	2021	2022	2023	Average
1	PT. AIA Financial	8,14%	9,49%	11,05%	12,55%	74,92%	23,23%
	Criteria	Not Good	Not Good	Not Good	Not Good	Good	
2	PT. Allianz Life Indonesia	20,90%	22,19%	16,86%	18,42%	73,55%	30,38%
	Criteria	Not Good	Not Good	Not Good	Not Good	Good	
3	PT. Central Asia Raya	12,42%	26,91%	35,60%	86,91%	83,11%	48,99%

No	Company Name	2019	2020	2021	2022	2023	Average
	Criteria	Not Good	Not Good	Good	Good	Good	
4	PT. Manulife Indonesia	20,68%	29,91%	35,81%	36,87%	80,25%	40,70%
	Criteria	Not Good	Not Good	Good	Good	Good	
5	PT. Simas Jiwa	- 245,35%	- 406,98%	67,60%	47,84%	75,68%	- 92,24%
	Criteria	Not Good	Not Good	Good	Good	Good	
6	PT. Asuransi Jiwa Sinar Mas MSIG	69,40%	66,86%	63,47%	61,46%	54,10%	63,06%
	Criteria	Good	Good	Good	Good	Good	
7	PT. Avrist life Assurance	37,30%	31,22%	22,40%	21,44%	19,13%	26,30%
	Criteria	Good	Not Good	Not Good	Not Good	Not Good	
8	PT. Axa Financial Indonesia	33,99%	31,89%	32,70%	22,54%	20,45%	28,31%
	Criteria	Good	Not Good	Not Good	Not Good	Not Good	
9	PT. Axa Mandiri Financial Services	46,93%	46,26%	24,05%	26,46%	30,20%	34,78%
	Criteria	Good	Good	Not Good	Not Good	Not Good	
10	PT. BNI Life Insurance	39,27%	45,59%	45,02%	49,09%	85,58%	52,91%
	Criteria	Good	Good	Good	Good	Good	
11	PT. Great Eastern Life Indonesia	22,07%	31,89%	35,37%	38,35%	53,48%	36,23%
	Criteria	Not Good	Not Good	Good	Good	Good	
12	PT. Panin Daichi Life	66,34%	62,27%	56,17%	61,15%	66,14%	62,41%
	Criteria	Good	Good	Good	Good	Good	
13	PT. Sun Life Financial Indonesia	15,04%	15,75%	17,26%	17,94%	70,71%	27,34%
	Criteria	Not Good	Not Good	Not Good	Not Good	Good	
14	PT. Tokio Marine Life	65,32%	58,45%	63,03%	76,96%	84,23%	69,60%

No	Company Name	2019	2020	2021	2022	2023	Average
	Insurance Indonesia						
	Criteria	Good	Good	Good	Good	Good	
15	PT. Chubb Life Assurance	9,30%	23,66%	26,99%	160,94%	50,75%	54,33%
	Criteria	Not Good	Not Good	Not Good	Good	Good	
16	PT. Reliance Life Indonesia	-0,72%	18,90%	-6,43%	74,58%	94,32%	36,13%
	Criteria	Not Good	Not Good	Not Good	Good	Good	

Source : Processed By The Author

Based on the table above, it can be seen the value of the self-retention ratio in each sharia business unit life insurance company. From the self-retention ratio, there are 6 (six) sharia business unit life insurance companies that experience a very significant increase every year, namely PT AIA Financial, PT Jiwa Central Asia Raya, PT Jiwa Manulife Indonesia, PT BNI Life Insurance, PT Great Eastern Life Indonesia and PT Sun Life Financial Indonesia. On the other hand, from this increase, PT BNI Life Insurance experienced a fairly stable increase every year with a value of 39.27% in 2019 to 85.58% in 2023 with all years included in the Good performance criteria.

The other 10 (ten) companies experience fluctuating changes every year. PT Reliance Life Insurance Indonesia has the lowest ratio value of other companies, which is -0.72% in 2019 but rises to 18.90% in 2020 and falls again in 2021 by -6.43, then rises high to 94.32% in 2023. However, of the many companies that experience fluctuations, the self-retention ratio still shows a fairly Good value in the current 5 years, it is also shown in 2023 where almost all companies fall into the Good performance criteria.

The condition of the own retention ratio categorized as Good indicates that the company conducts its insurance operations consistently and if the company is categorized as Not Good, it indicates that the company is less Good in conducting its insurance operations so that it is difficult to bear risks and needs to rely on reinsurance companies. The majority of insurance companies reinsure their funds to maintain a stable level of income, so insurance companies are expected to balance reinsurance activities with their own closure.

## H. Technical Liability Ratio

The technical liability ratio is a ratio that illustrates the level of reserve adequacy required in dealing with liabilities arising from closing risks. If it is too low, it is feared that the technical reserves formed by the company will be insufficient to pay its obligations in the future. Conversely, relatively high technical reserves tend to indicate that the business portfolio is less evenly distributed throughout the year, so that reserves for premiums that are not yet income are relatively high. In addition, for tax purposes, a standard limit for the technical liability ratio is set because technical reserves are a component that reduces company profits with a minimum limit of 40% and a maximum limit of 60% (Khatami, 2023).

The data on the results of the calculation of the technical liability ratio in the sharia business unit life insurance company is as follows:

Table 8. Summary of Technical Liability Ratio Results

N o	Company Name	2019	2020	2021	2022	2023	Average
1	PT. AIA Financial	19,63%	35,57%	52,29%	37,17%	45,94%	38,12%
	Criteria	Not Good	Not Good	Good	Not Good	Good	
2	PT. Allianz Life Indonesia	66,35%	47,79%	83,92%	75,46%	0,00%	54,70%
	Criteria	Not Good	Good	Not Good	Not Good	Not Good	
3	PT. Central Asia Raya	193,49%	11,59%	33,47%	5,10%	18,72%	52,47%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
4	PT. Manulife Indonesia	50,76%	49,44%	47,42%	33,89%	35,36%	43,37%
	Criteria	Good	Good	Good	Not Good	Not Good	
5	PT. Simas Jiwa	- 290,16%	- 193,37%	41,93%	71,80%	28,10%	-68,34%
	Criteria	Not Good	Not Good	Good	Not Good	Not Good	
6	PT. Asuransi Jiwa Sinar Mas MSIG	27,40%	38,88%	62,93%	42,15%	39,75%	42,22%
	Criteria	Not Good	Not Good	Not Good	Good	Not Good	
7	PT. Avrist life Assurance	12,11%	17,46%	67,30%	149,19%	144,11%	78,04%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	

<b>N o</b>	<b>Company Name</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Average</b>
8	PT. Axa Financial Indonesia	38,60%	98,03%	90,88%	157,05%	118,57%	100,63%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
9	PT. Axa Mandiri Financial Services	46,48%	49,18%	69,72%	56,91%	38,50%	52,16%
	Criteria	Good	Good	Not Good	Good	Not Good	
10	PT. BNI Life Insurance	40,19%	34,22%	32,97%	24,74%	14,14%	29,25%
	Criteria	Good	Not Good	Not Good	Not Good	Not Good	
11	PT. Great Eastern Life Indonesia	375,94%	0,00%	0,00%	0,00%	5,47%	76,28%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
12	PT. Panin Daichi Life	143,38%	186,97%	150,21%	9,73%	75,46%	113,15%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
13	PT. Sun Life Financial Indonesia	29,38%	39,74%	68,24%	37,75%	56,46%	46,31%
	Criteria	Not Good	Not Good	Not Good	Not Good	Good	
14	PT. Tokio Marine Life Insurance Indonesia	56,76%	54,58%	54,33%	101,20%	19,01%	57,18%
	Criteria	Good	Good	Good	Not Good	Not Good	
15	PT. Chubb Life Assurance	201,10%	83,84%	113,84%	10,52%	14,69%	84,80%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	
16	PT. Reliance Life Indonesia	-5,36%	0,00%	0,00%	0,00%	0,00%	-1,07%
	Criteria	Not Good	Not Good	Not Good	Not Good	Not Good	

Source : Processed By The Author

Based on the table above, it can be seen the value of the technical liability ratio in each sharia business unit life insurance company. There are 2 (two) companies experiencing a decrease, namely PT BNI Life Insurance and PT Reliance Life Insurance Indonesia. BNI Life experienced a decrease from a ratio value of 40.19% in 2019 to 14.14% in 2023. While PT. Asuransi Jiwa Reliance Life Indonesia always has a low ratio value from 2019 of -5.36% to 0.00%, which PT. Asuransi Jiwa Reliance Life Indonesia does not have technical reserves from 2020 to 2023 due to the possibility of using technical reserves to reduce estimated claims that have been reported on insurance expenses. This happened because the claim burden of PT Asuransi Jiwa Reliance Life Indonesia was underfunded in paying claims so that the technical liability ratio was 0.00% until 2023. It is feared that this will cause the company's inability to deal with obligations arising from the closure of risks in the future.

The other 14 (fourteen) companies experience fluctuations whose increases and decreases are very sharp in certain years, so companies really need to pay attention to technical liabilities because technical liabilities are included in the components that reduce retained earnings which can affect company equity.

## **5. CONCLUSION AND RECOMMENDATION**

Based on the description of the research results regarding the analysis of the financial performance of the early warning system of sharia business unit life insurance companies registered with the Financial Services Authorization (OJK) for the period 2019 - 2023, it can be concluded that several companies need more attention in their financial performance from the ratio calculations that have been carried out. However, for other companies there are still fluctuations in financial performance every year, but when calculated as a whole ratio in each company there are 3 (three) companies that are categorized as having Not Good results in almost all ratios of the early warning system method, namely PT Axa Financial Indonesia, PT Reliance Life Indonesia and PT Sun Life Financial. This shows that the company has a very bad financial condition and is difficult to face the risks that will arise in the future.

Hasil dari penelitian ini masih memiliki keterbatasan dan kelemahan, oleh karena itu saran yang dapat diberikan berupa memperpanjang waktu pengamatan penelitian agar memperoleh portofolio yang lebih dapat menggambarkan keadaan perusahaan. Selain itu diharapkan untuk penelitian selanjutnya dapat menggunakan metode yang lain sebagai

perbandingan dalam pengukuran kinerja perusahaan asuransi agar dapat lebih maksimal mengetahui faktor-faktor yang mempengaruhi kinerja keuangan

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