



Analysis of the Health Level of Financial Services State-Owned Enterprises (Study on Insurance Business Field Companies during the Period 2018 - 2022)

Shakira Ratu Chantika¹, Ahmad Zaki^{2,*} & Didik Indarwanta³

^{1,2,3}Business Administration Sciences Study Program, Universitas Pembangunan Nasional "Veteran"
Yogyakarta, Indonesia

*Email: ahmad.zaki@upnyk.ac.id

Abstract: This study aims to determine the level of health of State-Owned Enterprise (SOE) financial services companies in the insurance business sector for the period 2018-2022 through financial aspects, operational aspects, and administrative aspects that refer to the Regulation of the Minister of BUMN Number: PER-10 / MBU / 2014. This type of research uses analytical descriptive research with a quantitative approach. This research uses secondary data, namely in the form of company financial reports with collection techniques using documentation studies. The sampling technique used in this research is purposive sampling non-random sampling. The samples used include PT Jasa Raharja, PT Asuransi Kredit Indonesia, and PT Reasuransi Indonesia Utama. The data analysis technique used, namely using the financial statement ratio analysis method which refers to the Regulation of the Minister of BUMN Number: PER-10 / MBU / 2014. The results showed that the health level of BUMN financial services companies in the insurance business sector for the period 2018 - 2022 was at the level of "Less Healthy" BBB category with a score of 63.33. Based on the results of the analysis, it is known that the company is experiencing poor performance in ROA, ROE, YOI, and company premium growth.

Keywords: State-Owned Enterprises, health level of SOE companies, financial aspects, operational aspects, administrative aspects.

Introduction

The development of insurance is increasingly showing quite rapid changes in Indonesia (Dewi & Kasih, 2020). Insurance is a financial industry that plays an important role in human existence, but is subject to fundamental requirements (Sukmaningrum et al., 2023). In addition, insurance serves to stimulate a country's economy and encourage the growth of industry and business players (Sukmaningrum et al., 2023). This is reflected in the insurance industry, which generally has good growth, where premium growth has reached a compounded annual growth rate (CAGR) of 1.89% over the last 5 years (Otoritas Jasa Keuangan, 2023).

State-owned enterprises (SOEs) act as agents of value creation and agents of development (kemenkeu.go.id, 2020). As agents of value creation, SOEs are expected to contribute to state profits. As development agents, SOEs are expected to contribute to national development (kemenkeu.go.id, 2020). There are 137 insurance and reinsurance companies in Indonesia, eight of which are government-owned or state-owned insurance

companies (Arcani, 2019). The government encourages the insurance industry's role in accelerating the Indonesian economy through expanding insurance products and services amid technological advances (cnbcindonesia.com, 2023). Reporting from databoks.katadata.co.id (2020) that the Centra; Bureau of Statistics (BPS) stated that financial and insurance State-Owned Enterprises (SOEs) achieved the highest net profit in 2019, which amounted to IDR77.16 trillion. In addition, PT Jamkrindo and PT Askrindo carry out working capital credit guarantees for MSMEs up to a loan ceiling of IDR 10 billion and subsidized interest (kemenkeu.go.id, 2020). The two SOEs play a role in encouraging the business world to revolve so as to increase the supply and demand of raw materials and increase employment (kemenkeu.go.id, 2020). However, there are problems that show that the growth of the Indonesian insurance sector has not had good development over the past few years (ojk.go.id, 2023).

Based on data from the The Financial Services Authority (OJK) in 2021, it shows that the insurance penetration rate in Indonesia has

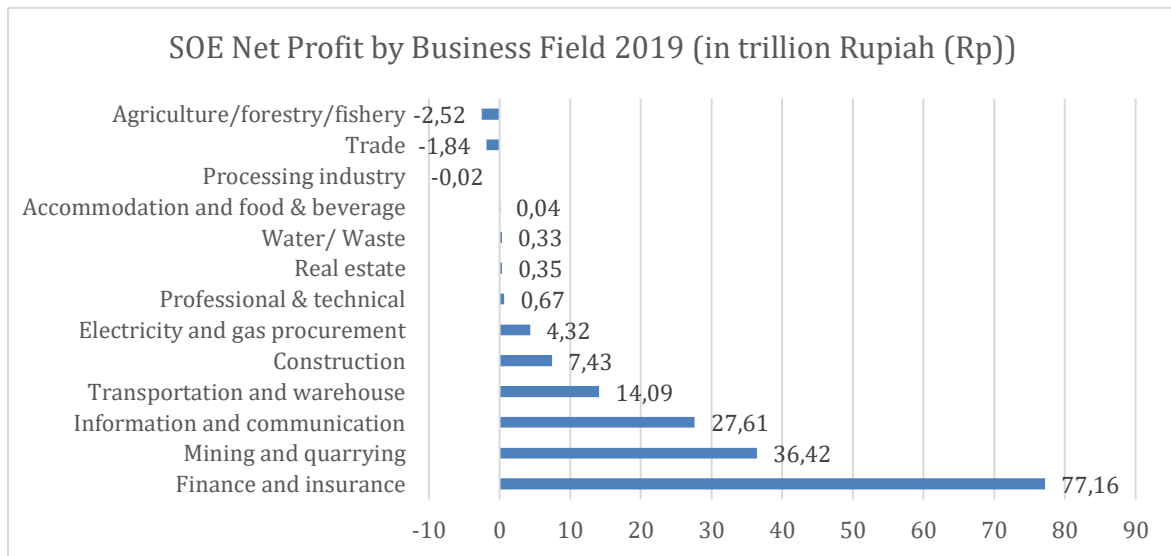


Figure 1. Finance and Insurance SOEs Earned the Highest Net Profits in 2019

Source: databoks.katadata.co.id (2020)

only reached 3.18%, which includes social insurance penetration of 1.45%, life insurance at 1.19%, general insurance at 0.47%, and the rest is compulsory insurance (ojk.go.id, 2023). Figure 2 shows that in 2020 the growth rate of the insurance sector decreased, which is only 2.61% compared to the previous year, which amounted to 3.48% (Otoritas Jasa Keuangan, 2023). In fact, in 2022 insurance growth only amounted to -1.19% (Otoritas Jasa Keuangan, 2023). In addition, insurance sector premiums for the period January to November 2022 reached Rp280.24 trillion (ojk.go.id, 2023).

Several state-owned insurance companies in Indonesia experienced the decline in performance. The first evidence occurred at PT Asuransi Jiwasraya (Persero). Jiwasraya experienced a default on the JS Saving Plan product marketed to customers through banks (bancassurance) (cnbcindonesia.com, 2020). SOE Minister Erick Thohir in front of the House of Representatives Commission XI Working Committee said "Jiwasraya is obliged to pay customer claims worth IDR 16 trillion" (cnbcindonesia.com, 2020). In addition, Jiwasraya is facing a solvency crisis of up to

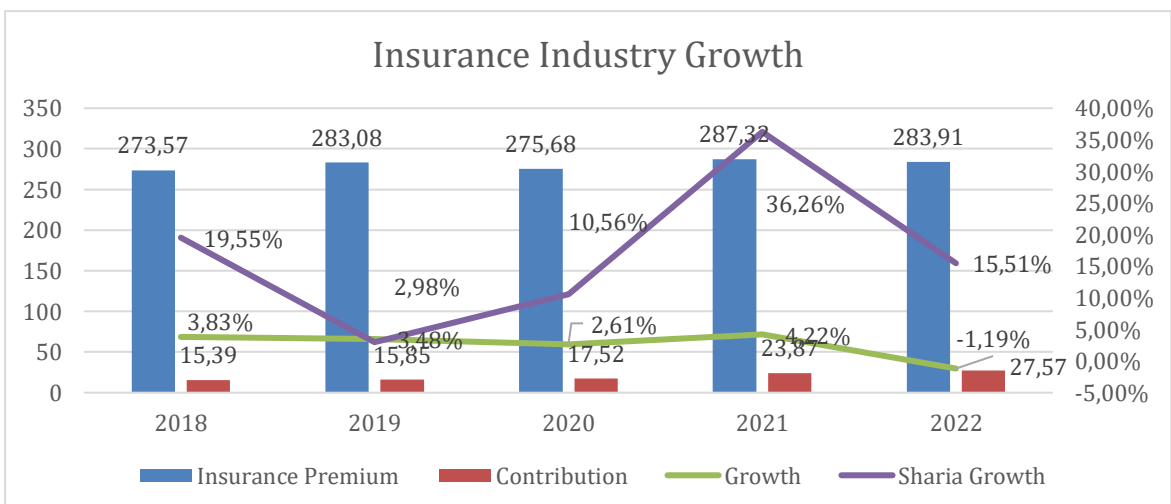


Figure 2. Premium Growth and Contribution of the Insurance Industry in Indonesia (2018-2022)

Source: OJK (2023)

IDR28 trillion due to errors in investment management and placement (cnbcindonesia.com, 2020). These governance problems resulted in poor investment placement by insurance companies, leading to financial problems (cnbcindonesia.com, 2020).

Apart from PT Asuransi Jiwasraya (Persero), PT Asabri (Persero) is also experiencing problems similar to Jiwasraya (cnbcindonesia.com, 2020). The problem is related to the value of investments (not default) (cnbcindonesia.com, 2020). PT Asabri's solvency ratio is under pressure due to the depreciation of investment value (cnbcindonesia.com, 2020). In addition, the risk-based capital (RBC) or risk-based capital adequacy ratio at PT Asabri also experienced a minus 571% and required funds of up to IDR 7.26 trillion to restore the RBC to a condition by regulations, which is 120% (cnbcindonesia.com, 2020).

There are problems experienced by other state-owned insurance companies, namely PT Taspen. Based on the report of the Ikhtisar Hasil Pemeriksaan Semester (IHPS) II Year 2022 Badan Pemeriksa Keuangan (BPK), it is known that there is a potential loss or unrealized loss from PT Taspen, which invests in shares in 13 issuers (databoks.katadata.co.id, 2023). BPK also calculated the amount of unrealized loss (the value of shares that fell but were not sold) that will be received by PT Taspen, which is IDR 72.82 billion or minus 64.19% of the acquisition price (databoks.katadata.co.id, 2023). As a result, the value of PT Taspen's share investment remains at IDR 425.53 billion in these 13 issuers (databoks.katadata.co.id, 2023).

Several previous studies have examined the health analysis of insurance companies with various methods and indicators. Sinaga et al., (2021) examined PT Asuransi Jiwasraya (Persero) which defaulted in 2020, with the results showing that since 2018 the company has been in the "Unhealthy" category based on financial ratios such as ROE, ROA, and Risk Based Capital. Meanwhile, Ragarsari (2023) compared the health levels of conventional and

sharia life insurance companies, finding that general life insurance companies are healthier than their sharia business units. In addition, Azharfan et al., (2020) examined PT Jamkrida Riau Pekanbaru and concluded that the company was in the "Moderately Healthy" category based on profitability, liquidity, and operational efficiency ratios. These studies show that the financial health of insurance companies is strongly influenced by liquidity, profitability, and operational effectiveness factors.

This study fills the research gap by analyzing the health level of state-owned companies in the insurance business sector more comprehensively using three main aspects, namely financial, operational, and administrative. Previously, related research generally only focused on financial aspects without considering operational and administrative factors that also affect the health of the company. The problems experienced by several insurance SOEs are samples that represent the majority of insurance SOEs have a poor level of health. Therefore, research is needed related to the analysis of the health level of state-owned companies in the insurance business sector in order to contribute to a broader understanding of the factors that affect the health of insurance SOEs and offer more holistic solutions to improve company performance.

Assessing the health level of SOEs plays an important role in the sustainability of a company (Arcani, 2019). This is because the results of the health level assessment can push the company towards increasing efficiency and competitiveness (Arcani, 2019). The assessment is also important to maintain the sustainability of the company so that it continues to run well (Arcani, 2019). Analysis of financial, operational, and administrative aspects can help companies make decisions and strategize for the sustainability of the company. The decision will have an impact on the operational process and the products or services produced by the company. The company will use health level analysis as a tool

to determine the company's performance in a certain period. The results of the company's health level analysis can be a description of the company's position so that it will affect the policies that will be determined later. Thus, this research is expected to help state-owned financial services companies in the insurance business sector in solving financial problems and improving company health.

Literature Review

Signaling Theory

Signal theory was first proposed by Spence in 1973 which suggests that signaling is a method for companies to differentiate themselves from other companies. Signal theory states that managers (agents) or companies have superior information compared to external parties and take advantage of certain aspects or opportunities to imply the quality of the company (Spence, 1973). Furthermore, signal theory states that information is passed from one company to another through signals made by the company itself (Spence, 1973). In signal theory, it is mentioned that companies can potentially manipulate the signals provided (Spence, 1973).

Signaling theory has a relationship with this research on analyzing the health level of financial services SOEs. In the context of this study, signaling theory is used to understand and explain how SOEs provide signals to report users in the form of positive signals (good news) and negative signals (bad news) regarding the company's health level. This information will be interpreted by investors and other stakeholders to influence investment decisions.

Statement of Financial Accounting Standards (PSAK) Number 1 on the Presentation of Financial Statements (revised 2009)

Based on PSAK Number 1 concerning Presentation of Financial Statements (revised 2009), financial statements are a structured presentation of the financial position and financial performance of an entity (Dewan

SAK, 2009). Financial statements aim to provide information about an entity's financial position, performance, and cash flows that is useful to a wide range of users in making economic decisions (Dewan SAK, 2009). Financial statements present information about an entity that includes assets, liabilities, equity, revenues and expenses including gains and losses, contributions from and distributions to owners in their capacity as owners, and cash flows (Dewan SAK, 2009).

Performance

Performance is a description of the level of achievement of the implementation of policies or activity programs in realizing the goals, objectives, vision, and mission of the organization as stated in the strategic planning of an organization (Moehariono, 2014). Company performance is the result of a series of business processes consisting of various forms of resources, namely human resources and company finances (Moerdiyanto, 2010). Financial performance is the company's ability to manage and control its resources (IAI, 2007).

The company is said to be healthy if the company has strengths (and few weaknesses) that match the business opportunities and threats that arise from the surrounding environment (Muhammad, 2006). However, a company is said to be sick if the company does not have a managerial match with its business environment and also does not have the necessary adjustment capabilities (Muhammad, 2006). The causes of corporate unhealthiness include (1) management incompetence, (2) inadequate financial control, (3) working capital mismanagement, (4) financial discretion, (5) high-cost structure, (6) inadequate marketing programs, (7) large projects, (8) acquisitions, (9) excessively rapid growth, (10) organizational helplessness and confusion, (11) competitive intensity, (12) market changes, and (13) commodity price movements (Muhammad, 2006).

Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002

The assessment of the health level of SOEs applies to all non-financial service SOEs, as well as financial service SOEs, except for publicly listed Persero and SOEs established by separate laws (SKEP Menteri BUMN KEP-100/MBU/2002, 2002). Non-financial service SOEs are SOEs engaged in infrastructure and non-infrastructure, while financial service SOEs are SOEs engaged in banking, insurance, financing services, and guarantee services (SKEP Menteri BUMN KEP-100/MBU/2002, 2002). The health level of an SOE is determined based on an assessment of the company's performance for the fiscal year in question, which includes an assessment of the financial aspects, operational aspects, and administrative aspects (SKEP Menteri BUMN KEP-100/MBU/2002, 2002). The assessment of the health level of SOEs is classified into: (SKEP Menteri BUMN KEP-100/MBU/2002, 2002)

Table 1. Regulation of the Minister of BUMN No: PER-10/MBU/2014

HEALTHY	
AAA	If the total (TS) > 95
AA	If 80 < TS ≤ 95
A	If 65 < TS ≤ 80
LESS HEALTHY	
BBB	If 50 < TS ≤ 65
BB	If 40 < TS ≤ 50
B	If 30 < TS ≤ 40
NOT HEALTHY	
CCC	If 20 < TS ≤ 30
CC	If 10 < TS ≤ 20
C	If the total (TS) ≤ 10

Regulation of the Minister of SOEs Number: PER-10/MBU/2014 applies to Financial Services SOEs in the Insurance and Guarantee Services Business Sector, except for Public Limited Persero and SOEs established by separate laws (Peraturan Menteri BUMN Nomor: PER-10/MBU/2014, 2014). The assessment of the health level of financial services SOEs in the insurance and guarantee services business sector is not carried out by business sector as referred to in Article 7 of the Decree of the Minister of State-Owned

Enterprises Number KEP-100/MBU/2002 (Peraturan Menteri BUMN No: PER-10/MBU/2014, 2014). The assessment of the health level of financial services SOEs in the insurance and guarantee services business sector is carried out individually for each SOE (Peraturan Menteri BUMN Nomor: PER-10/MBU/2014, 2014). The indicators of the health level assessment are determined based on the performance assessment for the relevant fiscal year, including the assessment of financial aspects, operational aspects, and administrative aspects (Peraturan Menteri BUMN No: PER-10/MBU/2014). The health level of financial services state-owned enterprises in the field of insurance and guarantee services includes an assessment: (Peraturan Menteri BUMN No: PER-10/MBU/2014, 2014).

Method

This research uses descriptive analysis research with quantitative data. This descriptive analysis research is carried out by analyzing the health level of SOE financial services companies in the insurance sector for 2018 - 2022. operationaltive approach is carried out by using data in the form of numbers and calculations using ratios in calculating the company's financial, operational, and administrative aspects.

Table 2. SOEs in the Financial Services Insurance Business Sector

No	Company
1	PT ASABRI (Persero)
2	PT ASEI (Persero)
3	PT ASKRINDO (Persero)
4	PT Jasa Raharja (Persero)
5	PT JASINDO (Persero)
6	PT JIWASRAYA (Persero)
7	PT TASPEN (Persero)
8	PT Reasuransi Umum Indonesia (Persero) / PT RUI (Persero)

Source: Permen BUMN No: PER-10/MBU/2014

The type of data used in this research is secondary data. This study uses secondary data

in the form of annual reports of BUMN companies in the insurance business sector for 2018-2022, so the data sources used in this study are obtained from the company's official website.

This study uses the population of state-owned financial services companies in the insurance business sector listed in Permen BUMN No: PER-10/MBU/2014 (see Table 2). The sampling technique used is purposive sampling method. Purposive sampling is a sampling technique based on certain considerations (Sugiyono, 2023).

Table 3. Sample Selection Criteria

No	Description	Total
1	BUMN in the insurance business according to data in the Regulation of the Minister of State-Owned Enterprises No: PER-10/MBU/2014.	8
2	BUMN in the insurance business sector that provide complete company annual reports for the last 5 years (period 2018 - 2022).	(5)
Number of samples that fit the criteria		3

The following are the sample criteria: (a) State-owned financial services companies in

Table 4. Financial Ratios

Ratio	Formula
Return on Asset (ROA)	$\frac{\text{Profit Before Tax}}{\text{Average Total Assets}}$
Return on Equity (ROE)	$\frac{\text{Profit Before Tax}}{\text{Average Equity}}$
Liquidity	$\frac{\text{Current Assets}}{\text{Current Debt}}$
Risk Based Capital (RBC)	$\frac{\text{Total Solvency Level}}{\text{Total Minimum Solvency Level Limit}}$
Solvency	$\frac{(\text{Total Assets} - \text{Total Liabilities})}{(\text{Future Policy Benefit Obligations})}$

Source: Data processed (2024) the insurance business; (b) BUMN financial

services companies in the insurance business sector that provide complete company annual reports for the last 5 years (period 2018 - 2022) and can be accessed through the company's official website.

As for after taking samples through purposive sampling, several samples of BUMN companies in the insurance business sector were obtained, including:

Table 5. Research Sample

No	Company
1	PT JASA RAHARJA (Persero)
2	PT ASKRINDO (Persero)
3	PT Reasuransi Umum Indonesia (Persero) / PT RUI (Persero)
PT ASEI (Persero) transformed into PT Reasuransi Indonesia Utama (Persero) and PT Reasuransi Umum Indonesia (Persero) merged with PT Reasuransi Indonesia Utama (Persero) in early 2015. Therefore, PT Reasuransi Indonesia Utama (Persero) was used as the research sample.	

The data collection technique in this study used documentation study techniques. The measurement scale used in this study, namely the ratio scale listed in the Peraturan Menteri BUMN No: PER-10/MBU/2014. The following are the stages of data analysis with a mathematical model.

Table 6. Operational Ratios

Ratio	Formula
Investment Adequacy Ratio	$\frac{\text{Total Investment}}{\text{Technical Reserves} + \text{Claims Payable}}$
Investment Adequacy Ratio (PT Taspen and PT Asabri)	$\frac{\text{Total Investment} + \text{Unfunded Past Service Liability}}{\text{Future Policy Benefits Liability}}$
Yield on Investment (YOI)	$\frac{\text{Investment Return}}{\text{Average Investment}}$
Claims Settlement Rate	$\frac{\text{Total Claims Settlement}}{\text{Total Claims Submissions}}$
Expense Ratio	$\frac{\text{Operating Expenses}}{\text{Premium Income}}$
Customer Satisfaction Level (CSI Index)	Independent Institution Survey Results
Dues/Premiu/IJP Growth	$\frac{\text{Current Year Dues/Premium/IJP} - \text{Last Year Dues/Premium/IJP}}{\text{Last Year Dues/Premium/IJP}}$
Acceleration of Claim Settlement	7 days after the date of accident = Date of Payment – Date of Accident
5 hours from the date of submission	Hour of Payment – Hour of Submission
Underwriting Yield	$\frac{\text{Net Underwriting Result}}{\text{Gross Premium}}$
Dues Collectibility (PT Taspen)	$\frac{\text{Number of Local Governments that deposit contributions before the 10th}}{\text{Number of Local Governments}}$
Company Operational Effectiveness (Perum Jamkrindo)	$\frac{\text{Operating Profit}}{\text{IJP Revenue}}$
Gearing Ratio	$\frac{\text{Outstanding Credit Guarantee}}{\text{Equity Balance}}$
BOPO (Perum Jamkrindo)	$\frac{\text{Operating Expenses} - \text{Claims}}{\text{IJP Income}}$
Subrogation Effectiveness Ratio (Perum Jamkrindo)	$\frac{\text{Subrogation Income}}{\text{Claims Expense}}$

Source: Data processed (2024)

First, calculating financial ratios through 5 indicators that have been formulated (see Table 5).

Second, calculating operational ratios through 13 indicators that have been formulated (see Table 6).

Third, calculating administrative ratios through 4 indicators that have been formulated (see Table 7).

Table 7. Administrative Ratios

Ratio	Formula
Annual Calculation Report	$\frac{\text{Realization of Submission of Audit Financial Report}}{\text{Deadline for Submission of Audit Financial Report}}$
Draft RKAP	$\frac{\text{Realization of Submission of RKAP}}{\text{Deadline for Submission of RKAP}}$
Periodic Reports (Quarterly and Annual Unaudited)	$\frac{\text{Realization of Lapmen Submission}}{\text{Deadline for Lapmen Submission}}$
Collectibility Rate	$\frac{\text{Weighted Average Loan Collectibility}}{\text{Total Loans Disbursed}}$
Disbursement Effectiveness Level	$\frac{\text{Total Funds Disbursed}}{\text{Total Funds Available}}$

Source: Data processed (2024)

Fourth, provide a score assessment of the results of the ratio analysis on each state-owned enterprise in the financial services insurance business sector.

After obtaining the results of the ratio analysis, the score will be assessed in accordance with the weight of each ratio that has been determined in the Regulation of the Minister of State-Owned Enterprises Number: PER-10 / MBU / 2014.

Fifth, classify the health level of each financial services state-owned enterprise in the insurance business sector.

After obtaining the score, the scores will be summed up. It is intended that each company can obtain its own score. The total score is used as a representation to assess the condition of the health level of financial

services state-owned enterprises in the insurance business sector referring to the Decree of the Minister of BUMN KEP-100 / MBU in 2002.

Sixth, observation of the movement of the company's health level between periods and solutions to improve the health of each state-owned enterprise financial services in the insurance business sector.

The results of the third stage will be used to observe the movement of the company's health level from each period. Based on the movement of the health level from 2018, 2019, 2020, 2021, and 2022, it can be seen whether the company has increased or decreased. The author will present a solution to improve the health of state-owned enterprises referring to the results of the analysis of the health level of

Table 8. The Recapitulation of The Assessment of Financial Aspects for All State-Owned Financial Services Companies in the Insurance Business Sector During The 2018 - 2022 Period

No	Indicator	PT Jasa Raharja	PT Askrido	PT Reasuransi Indonesia Utama
1	Rentability			
	Return on Equity	2	6.4	2.8
	Return on Asset	2	2	1.2
2	RBC/ Solvency	15	10	9.2
3	Liquidity	10	4.2	7.2
TOTAL WEIGHT		29	22.6	20.4

Source: Data processed (2024)

state-owned enterprises in the financial services insurance business sector.

2018-2022 based on the indicators and assessment weights listed in the Regulation of the Minister of BUMN No: PER-10/MBU/

Table 10. The Recapitulation of The Assessment of Operational Aspects for All State-Owned Financial Services Companies in the Insurance Business Sector During The 2018 - 2022 Period

No	Indicator	PT Jasa Raharja	PT Askrindo	PT Reasuransi Indonesia Utama
1	RKI	10	8	4.2
2	YOI	6.4	4.4	5.2
3	Growth in premiums	2	1.2	1.8
4	Underwriting yield	4.8	6.4	2.4
5	Expense ratio	5.8	10	10
6	Acceleration of claim settlement	10		
TOTAL WEIGHT		39	30	23.6

Source: Data processed (2024)

Lastly, classifying all companies based on health level. The last stage carried out is the grouping of state-owned enterprise companies in the financial services insurance business sector through the company's health level, which is grouped into 3 groups, namely Healthy, Less Healthy, and Unhealthy. The classification is carried out with score criteria that have been described in the Decree of the Minister of SOEs KEP-100 / MBU in 2002.

Results and Discussion

Analysis of Financial Aspect Assessment Results

The following (Table 8) is a recapitulation of the assessment of financial aspects for all SOE financial services companies in the insurance business sector during the period

Table 9. The Recapitulation of The Assessment of Administrative Aspects for All State-Owned Financial Services Companies in the Insurance Business Sector During The 2018-2022 Period

No	Indicator	PT Jasa Raharja	PT Askrindo	PT Reasuransi Indonesia Utama
1	Annual calculation report	2.4	0.6	2.8
2	Draft RKAP	3	0	0
3	Periodic report	3	1.4	0.8
4	PKBL Performance			
	Channeling effectiveness	2.4	3	0.6
	Collectability rate	2	1.8	1.6
TOTAL WEIGHT		12.8	6.8	5.8

Source: Data processed (2024)

2014.

The recapitulation table of financial aspect assessment for all state-owned financial services companies in the insurance business sector during the 2018-2022 period shows that PT Jasa Raharja has the highest total weight, with a score of 29. PT Askrindo has a total weight of 22.6 and PT Reasuransi Indonesia Utama has a total weight of 20.4.

Analysis of Operational Aspect Assessment Results

The following (Table 9) is a recapitulation of the assessment of operational aspects for all SOE financial services companies in the insurance business sector during the period 2018 - 2022 based on the indicators and assessment weights listed in the Regulation of

the Minister of BUMN No: PER-10/MBU/2014.

Analysis of Administrative Aspect Assessment Results

Table 10 is a recapitulation of the assessment of administrative aspects for all SOE financial services companies in the insurance business sector during the period 2018 - 2022 based on the indicators and assessment weights listed in the Regulation of the Minister of BUMN No: PER-10/MBU/2014.

Comparing the Health of SOEs

PT Jasa Raharja

Figure 3 shows the movement of PT Jasa Raharja's health level for three periods, namely 2018 - 2022. In the figure below, it is known that PT Jasa Raharja experienced an increase in health level of 7 or 8.86% in 2019. However, in 2020 it decreased by 4 or -4.65%. In 2021, the health level of PT Jasa Raharja is in a stagnant position, namely at a score of 82. In 2022, the company's health level decreased by 7 or 8.53% from the previous year.

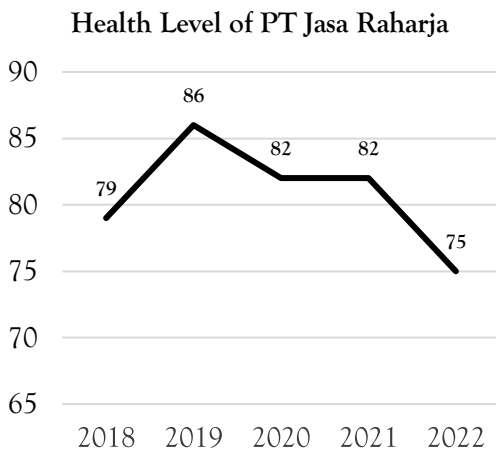
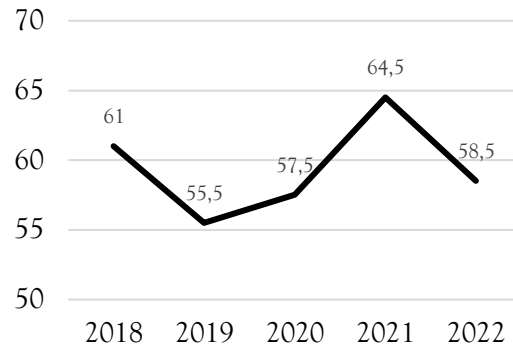


Figure 3. PT Jasa Raharja Health Level for the Period 2018-2022

Source: Data processed (2024)

PT Askrindo

Health Level of PT Askrindo



Source: Data processed (2024)

Figure 4. PT Askrindo's Health Level for the Period 2018 – 2022

Figure 4 shows the movement of PT Askrindo's health level for three periods, namely 2018 - 2022. In the figure above, it is known that PT Askrindo experienced a decrease in health level of 5.5 or -9.01% in 2019. Then, in 2020 it increased by 2 or 3.60%. PT Askrindo again experienced an increase in health level of 7 or 12.17% in 2021. In 2022, it decreased again by 6 or -9.30%.

PT Reasuransi Indonesia Utama

Figure 5 shows the movement of the health level of PT Reasuransi Indonesia Utama for three periods, namely 2018 - 2022.

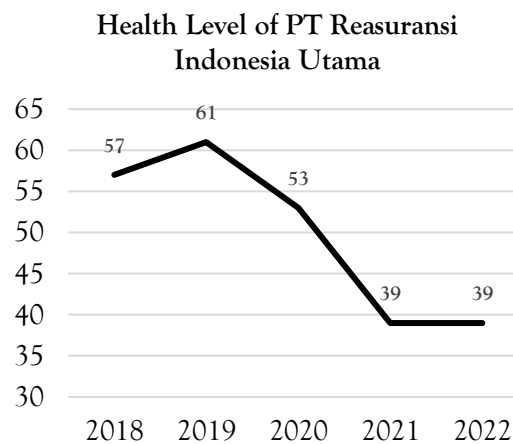


Figure 5. Health Level of PT RIU Period 2018 – 2022

Source: Data processed (2024)

In the figure below, it is known that PT Reasuransi Indonesia Utama experienced an increase in health level of 4 or 7.01% in 2019. However, in 2020 the health level decreased by 8 or-13.11% and in 2021 it decreased by 14 or-26.41%. Then, the health level in 2022 is in a stagnant position like the previous year.

The health level of BUMN financial services companies in the insurance business sector during the 2018-2022 period was at the "Less Healthy" level in the BBB category with a score of 63.33. Broadly speaking, the results show that the growth of contributions, YOI, ROA, and ROE of BUMN financial services companies in the insurance business sector

Table 11. Recapitulation of the Health Level of SOEs in the Insurance Business Field 2018-2022

No.	Company	Year									
		2018		2019		2020		2021		2022	
1	PT Jasa Raharja	79	A	86	AA	82	AA	82	AA	75	A
		Healthy		Healthy		Healthy		Healthy		Healthy	
2	PT Askrimdo	61	BBB	55.5	BBB	57.50	BBB	64.50	BBB	58.5	BBB
		Less healthy		Less healthy		Less healthy		Less healthy		Less healthy	
3	PT RIU	57	BBB	61	BBB	53	BBB	39	B	39	B
		Less healthy		Less healthy		Less healthy		Less healthy		Less healthy	
Total Health Score		197		202.5		192.5		185.5		172.5	
SOE Health Level		65.7		68		64		62		58	
		A		A		BBB		BBB		BBB	
		Healthy		Healthy		Less healthy		Less healthy		Less healthy	
Average Health of SOEs		63.33									
		BBB									
		LESS HEALTHY									

Source: Data processed (2024)

Recapitulation of the Health Level of SOEs in the Insurance Business Field

At this stage, a recapitulation of the health level of all state-owned companies in the insurance services sector, which is the research sample, is presented. The table gives the average results of the company's health during the 2018-2022 period. Based on the recapitulation results, it is known that in 2018, BUMN in the insurance business sector was at the "Healthy" category A level with a score of 65.7. In 2019, the company's health level was at the "Healthy" level with a score of 68. In 2020, the company's health level is at the "Less Healthy" level, with a score of 64. In 2021, the company's health level is at the "Less Healthy" level, with a score of 62. In 2022, the company's health level is at the "Less Healthy" level with a score of 58.

from 2018-2022 has a poor score.

Premium growth is a measure of an insurance company's market penetration, as measured by the increase in premiums each year (Ningrum et al., 2024). The higher the premium growth value, the better the company's financial performance due to increased underwriting activity and expansion of market share (Ningrum et al., 2024). It is known that the company's poor premium growth score is due to the company's lack of ability to maximize profits from investment and premiums earned. Therefore, state-owned financial services companies in the insurance sector need to improve the quality of insurance products and services to attract consumers, establish partnerships with other parties to expand the reach of insurance products in the market, and maximize digital marketing strategies to increase premium growth.

A high level of investment return can significantly increase the amount of assets of the company (Tanjung et al., 2024). This is because good investment results can generate considerable income for the company, both through direct investment and investment in other financial instruments (Tanjung et al., 2024). In addition, high investment yields can also help Islamic insurance companies to develop and expand their investment portfolios (Tanjung et al., 2024). By having more assets invested, companies can increase their portfolio diversification, reduce investment risk, as well as increase long-term profit potential (Tanjung et al., 2024). Based on the results of this study, it is known that the unfavorable score on the YOI indicator is due to the low investment returns obtained by the company. The company needs to increase the diversification of the investment portfolio to reduce risk and increase potential returns.

Profitability ratios will show the effects of liquidity, asset management, and debt on operating results (Azmy, 2018). Return on Asset is a ratio that measures the rate of return from the business on all existing assets or a ratio that describes the efficiency of the funds used in the company (Winarno, 2019). The higher the ROA, the more the company is able to utilize its assets well to obtain profit (Winarno, 2019). Meanwhile, the ROE ratio shows management's success in maximizing returns to shareholders (Azmy, 2018). The higher this ratio, the better as it provides a greater return on the company's capital. Based on this research, the unfavorable ROA and ROE scores occur due to the lack of efficiency in using assets and equity in generating company profits/premiums. The company needs to improve operational efficiency by reducing operational costs through automation to optimize the use of existing assets and equity and reduce unused assets or inventory.

In contrast to the growth value of premiums, YOI, ROA, and ROE, BUMN financial services companies in the insurance business sector in 2018 also had good

performance in the risk-based capital (RBC) ratio. Risk-based capital (RBC) according to the Peraturan Otoritas Jasa Keuangan Republik Indonesia Nomor 9/POJK.05/2021, 2021 is a measure that shows the level of financial security or health of an insurance company that must be met by insurance companies of at least 120%. Based on the Regulation of the Chairman of the Capital Market Supervisory Agency (BAPEPAM) and Financial Institutions No. PER-02/BL/2008, risk-based capital is defined as the minimum total solvency level that has been determined to be equal to the total funds needed to cover the risk of losses that may occur as a result of deviations in asset and liability management (Syahida et al., 2022). This shows that the company has sufficient capital to cope with the risks that may occur. This can ensure security for insurance policyholders. The company should maintain the ratio value and even increase the ratio value to be better in the following years. The company also needs to pay attention to other ratios, especially in administrative aspects such as PKBL performance which still has a poor score.

Based on the graph of the movement of the health level of BUMN financial services in the insurance business sector from 2018 to 2022, it can be assessed that in 2020 the company's health level decreased quite dramatically. This is because the COVID-19 pandemic has affected the company's premiums and productivity has decreased. This is evidenced by the problems experienced by the company.

Conclusion

Several conclusions can be drawn based on the analysis of state-owned companies in the insurance business sector during the 2018–2022 period. First, the health level of these companies, assessed through financial, operational, and administrative aspects, refers to the Regulation of the Minister of BUMN Number: PER-10/MBU/2014 and the Decree of the Minister of State-Owned Enterprises Number: KEP-100/MBU/2002. The findings indicate that the overall health level falls into

the "Less Healthy" category (BBB). Second, the movement of the health level within the industry fluctuated over the period analyzed. An improvement was observed from 2018 to 2019, followed by a decline in 2020 due to the negative economic impact of the Covid-19 pandemic. However, the health level gradually recovered in 2021 and 2022. To further enhance these conditions, companies must focus on improving key financial ratios, particularly ROA, ROE, yield on investment, and premium growth. Lastly, the classification of individual state-owned companies in the insurance sector during the 2018–2022 period shows variations in health levels. PT Jasa Raharja is categorized as "Healthy" (AA), PT Askrindo falls into the "Less Healthy" (BBB) category, while PT Reasuransi Indonesia Utama is classified as "Less Healthy" (BB).

Suggestions and Future Research

Several suggestions are provided to address the challenges faced by companies in the insurance business sector. First, BUMN companies operating in this sector should maintain and continuously enhance their capabilities across financial, operational, and administrative aspects. Strengthening these areas will contribute to improving performance deficiencies and increasing overall effectiveness, which in turn positively impacts the company's health level. Second, companies need to focus on improving key financial performance indicators, particularly ROA, ROE, yield on investment, and premium growth. These ratios currently fall within unhealthy classifications and require targeted strategies for enhancement. Third, the suggestions provided in this study can serve as valuable insights for companies seeking to improve their overall health. By considering these recommendations, firms can develop more informed strategies for sustainable growth.

Regarding future research, it would be beneficial to expand the sample to include both state-owned and private insurance companies. A broader dataset will allow for a more comprehensive understanding of

industry trends and facilitate the establishment of relevant benchmarks. Additionally, future studies could explore other state-owned companies within the insurance business sector that were not covered in this research. Such an approach would provide valuable insights for investors and companies alike in assessing corporate health and making informed business decisions.

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