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The Effect of Corporate Governance and Premium Growth on the Performance of Insurance Companies in Indonesia

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Abstract:

Purpose: *The aim of this study is to test the hypothesis about the effect of corporate governance and premium growth in the performance of insurance companies in Indonesia. The growth rate of insurance premiums has decreased throughout 2016, followed by a decline in performance mainly influenced by poor corporate governance.*
Design/Methodology/Approach: *By comparing different studies we try to come to a conclusion regarding the effect of corporate governance and premium growth in the performance of insurance companies. Some previous research stated that corporate governance does not positively affect the performance of these companies. Others, have found that growth in premiums, capital growth, returns, claims ratios, and types of capital affected the growth of life insurance company assets, while the ratio of acquisition costs, administrative cost ratios, and capital did not significantly affect the growth of life insurance company assets in Indonesia.*
Findings: *The findings in this study are the research framework which states that The Effect of Corporate Governance and Premium Growth on the Performance of Insurance Companies in Indonesia with company growth as mediation.*
Practical Implications: *Findings of this study can be used by insurance companies as a study material to improve their performance.*
Originality/Value: *The research hypotheses tested as they have been generated from the research framework.*

Keywords: *Corporate Governance, Insurance Premium, Corporate Performance, Company Growth.*

JEL codes: *G3, G38.*

Paper type: *Research article.*

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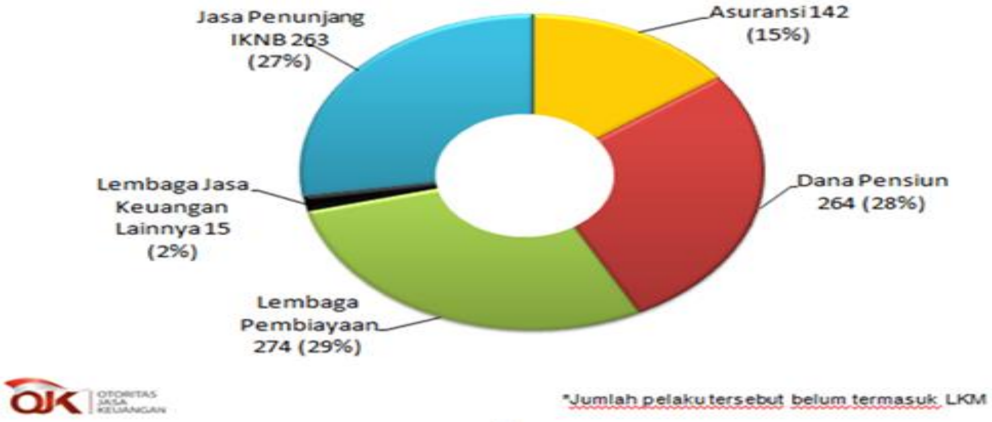
1. Introduction

Globalization is expected to eliminate the constraints of global economic growth as a major economic growth factor. For Indonesia, the insurance industry has a strategic advantage in creating stability. Through the insurance sector, economic actors can be moved or all the risks it was faced. With the liberalization of financial services agreement in ASEAN member countries by 2015, the Indonesian insurance industry faces greater challenges and opportunities because Indonesia has a commitment of openness (Wuwungan, *et al*., 2015). According to Djaelani (2014), the number of non-bank financial industry actors, particularly insurance companies has a low percentage of 15% compared to other companies such as finance institutions which reach 29% and 28% pension fund and 27% non bank Financial support services. In Figure 1 below:

Figure 1. *Total of non-Bank financial players IKNB=958*



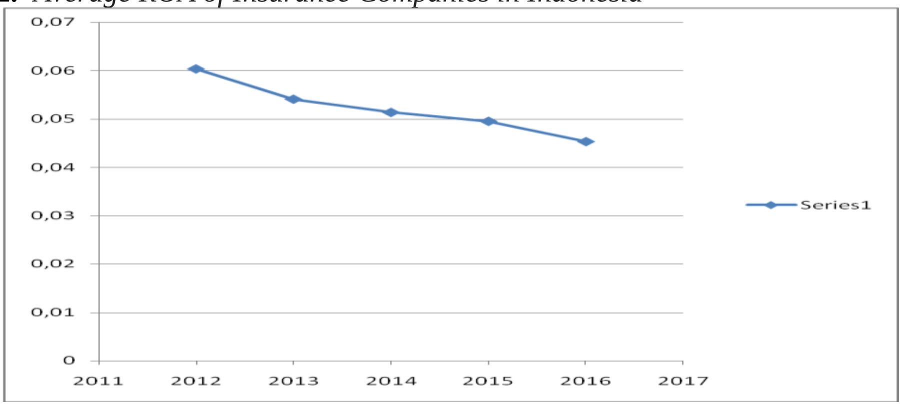
Source: *OJK (Otoritas Jasa Keuangan).*

According to Purba (1992) insurance is the transfer of risk from an individual or an organization, such as textile companies to insurance companies. General insurance, in this case including loss insurance, insurable interest is something that will be economically derived or deducted by fire or theft or damage to property / property of the insured.

An insurance policy is a letter of consent that contains the agreement between the insured and the insurer and the mutual agreed. The rules are written in the insurance policy that has been made by insurance companies, in accordance with the premium that have been experienced. Rewards are the factor that affects growth insurance companies (Sastrodiharjo and Sutama, 2015). The growing economic and industrial development has resulted in increasingly complex implications for the growth of the insurance business in Indonesia. It is very difficult to convince the public of the problem of insurance for their personal, family and property. Even if you look at the amount of insurance policy payments, people may have very uninsured awareness of insurance (uninsurance minded). There are three causes for the low awareness of the Indonesian people to insure, namely the low power-saving, minimal and less opimalnya promotion and socialization conducted by the insurance industry to the people of Indonesia and the bad image of the insurance. It comes to consider that performance optimization is necessary with promotion, socialization and improving the image of the insurance in the eyes of the public. Images of life insurance are bad in the eyes of the public, but general insurance is not better than life insurance that has bad corporate performance (Wuwungan *et al.,* 2015). Performance is a condition that must be known and confirmed to a special party to know the environment level of an organization. Company performance is the result achieved by the company that showed condition for a certain period (Almajali, 2012).

According to Gitman and Zutter (2012) the company's performance of net income from a company's financial statements based on the high level of profit generated, is attributed to the assessment of the company's performance. One of the profitability ratios which is often used to measure company’s performance is ROA (Return on Assets). ROA as an index for the performance of insurance companies in Indonesia, especially general insurance shows the effects on the Stock Exchange Index (IDX) as in the following Figure 2:

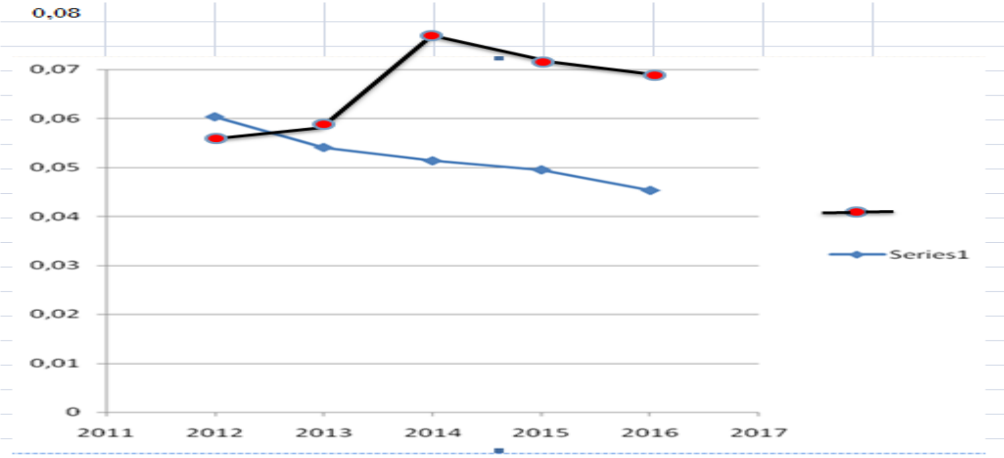
Figure 2. *Average ROA of Insurance Companies in Indonesia*



Source: *Indonesia Stock Exchange which can be accessed from www.idx.ac.id.*

The graph above is the average ROA of insurance companies in Indonesia showing symptoms of decline from 2012 to 2016. This reflects that the performance of general insurance experienced the symptoms of decline because ROA is a measure of performance. Sukresna (2017) Chairman of Communications and Statistics of the Association of General Insurance Indonesia (AAUI) said that the economy is less enthusiastic during the year 2016 from the impact on the decline in the growth rate of general insurance premiums. In addition to the above sourced from the Indonesian Stock Exchange which can be accessed from www.idx.ac.id the financial performance of the average ROA on general insurance is no better when compared with the financial performance of life insurance, as seen in Figure 3 below:

Figure 3. *Comparison of financial performance of general insurance and Life insurance in Indonesia*



Source: *www.idx.ac.id and annual report company insurance in Indonesia.*

Company's performance works well if the company's revenue is good. The acceptance of the company will be good if it is well managed. Corporate Governance in Indonesia began to be important since 1998 when Indonesia experienced a prolonged crisis. There are two triggers of Corporate Governance issues, which are very rapid environmental changes that impact on global map changes. Both of them are interested parties such as shareholders, this complexity of ownership structure oriented towards stakeholder management. Corporate Governance is becoming increasingly important in organizations as a performance improvement approach (Naftalimbalwa *et al*., 2014). According to Yoo and Jung (2015) Corporate Governance with family control has a positive influence associated with company performance in France. in South Korea Corporate Governance with family control has a negative influence related to company performance. Research conducted by Javaid and Saboor (2015) states that Corporate Governance has a significant impact on achievement of higher corporate performance, but according to Tertius and Christiawan (2015) Corporate Governance as measured by board of Commissioners and managerial ownership has no significant effect on ROA. Meanwhile, independent commissioners and firm size have a negative and significant impact on ROA. This also applies to insurance companies. Insurance companies can run well, in addition to Corporate Governance, the acquisition of premiums must also be good, so the company's performance will be good too. Premium is the amount of money that must be paid every certain period as the obligation of the insured for his participation in the insurerance scheme.

Premiums are a fundamental issue for insurance. For the premium insurer is very important because the premiums collected from many insured in a relatively long time collected a large amount of funds, so the insurer can improve performance (Purba, 1992). According to Akotey *et al.* (2013), gross written premium has a positive effect on sales profitability and underwriting profit. This explains that premium growth improves the profitability of core insurance operations and overall profitability. Mehari and Aermiro (2013) stated that premium growth is measured using gross written premium. Premium growth is used as a proxy in measuring changes in premium increases generated by the company. Companies that are growing too fast can cause the company's destruction because the company has ignored other important goals. In the results of research conducted found that there is no influence between premium growth and financial performance. This is because there are other factors that influence the relationship between the premium growth and the performance of companies such as the addition of investment assets of the company. From this research gap a need for further research arises.

Based on this research gap, the researcher wanted to enter the variable of mediation or intervening variable. Jogiyanto, (2007) stated that the intervening variable is a variable that mediates the independent variable and the dependent variable, in a sense. The observed variable is the dependent variable whose effect must be inference through the effect of the relationship between the variable and its phenomenon (dependent variable) as the researcher chose the company's growth as intervening variable.

Companies of life insurance, not only can be good in performance, but the growth of the company must always be their main concern. With good performance a lot of money goes on dividends then the growth of the company is not good. Therefore it should be balanced between the money that is distributed for dividends and the money going for assets. Similarly there will be companies with good conditions. If the growth of the company is good then the company's financial performance will be also good (Sartono, 2010). According to Yusof and Bakar, (2012) the company's growth has a positive and significant effect on the company's financial performance, which is also supported by Sunarto and Budi, (2009).

Corporate Governance also affects the growth of the company, this is supported by Fadun (2013) while the growth of premiums on the growth of the company is supported by Sastrodiharjo and Sutama (2015).

2. Problem Formulation

Based on the formulation of the above problems, the objectives to be achieved in this research are: 1) To analyze the influence of Corporate Governance on the financial performance of insurance companies in Indonesia. 2) To analyze the effect of premium growth on the financial performance of insurance companies in Indonesia. 3) To analyze the influence of Corporate Governance on the growth of insurance companies in Indonesia. 4) To analyze the effect of premium growth on insurance company growth in Indonesia. 5) To analyze the effect of insurance company growth on the financial performance of insurance companies in Indonesia. 6) To analyze corporate growth in mediating the influence of corporate governance on the financial performance of insurance companies in Indonesia. 7) To analyze the company's growth in mediating the effect of premium growth on the financial performance of insurance companies in Indonesia.

2.1 Benefits of the research

The present study contributes in science, especially financial management science in terms of integration of models that test the growth of companies in mediating the influence of Corporate Governance, the growth of premiums on the financial performance of insurance companies in Indonesia. It also provides theoretical and empirical implications in the field of financial management, especially on the related phenomena about the financial performance of insurance companies and the factors that influence it.

2.2 Practical benefits

The practical benefits for the insurance companies are the results supporting the hypotheses of the effects of corporate governance and premium growth on the financial performance of insurance companies. The models and the ideas presented in this study are important future paths for a more extanded research in the issue.

3. Literature Review

3.1 Corporate Governance

Yoo and Jung (2015) stated that Corporate Governance with family control does not positively affect the performance of the company. This is only supported in the case of France. Aggarwal (2013) study has found that Corporate Governance with governance assessments has a positive and significant impact on the company's financial performance. Nur'ainy research *et al.'* (2013) research suggested that Corporate Governance, as measured by the principles of transparency, accountability, responsibility, independence, and honesty have a direct positive effect on company's performance measured by EVA (Economic Value Adedd). Naftalimbalwa *et al*. (2014) found that Corporate Governance applications were positively related to the performance of sugar companies and manufacturing companies in Western Kenya. Gunawan *et al.'* (2014) research showed that Corporate Governance has a significant influence on bank performance, ownership structure has no positive effect on bank performance, bank size has significant effect on bank performance, Corporate Governance has significant influence to firm values. The ownership structure has no effect on firm value, bank size has no effect on firm value, and bank performance has significant effect to firm value.

3.2 Premium Growth

Sastrodiharjo and Sutama (2015) have found that the growth of premium, capital growth, return, ratio of claims, and the type of capital affect the growth of life insurance companies’ assets. While the ratio of acquisition costs, administrative cost ratio and capital did not significantly affect the growth of life insurance company assets in Indonesia. Akotey *et al.’* (2013) research indicated that gross premiums have a positive relationship with the profitability of insurance, while the relationship with investment income is negative. Mehari and Aemiro's (2013) research, showed the results of regression analysis where the size of the insurance company, tangibility and leverage are statistically significant and positively related to ROA. However, the loss (risk) ratio is statistically significant and negatively related to ROA. Premium growth, company age and liquidity have a non-significant relationship with ROA.

3.3 Company Growth

Sastrodiharjo and Sutama’s (2015) research found that premium growth, capital growth, return, claims ratio and type of capital have an effect on the growth of life insurance company asset while the ratio of acquisition costs, administrative cost ratio, and capital did not significantly affect the growth of life insurance company assets in Indonesia. Dutta (2014) states that growth of the general insurance industry in India has been seen significantly over the past few years. But the profitability of insurance companies in India has decreased. This is because of political upheaval that occurred in the country causing many claims. The growth of the general insurance industry in India has a positive impact on the profitability of all sectors. Yusof and Bakar’s (2012) research showed that the growth of companies is generally equated with the success of companies that have an impact improving the financial performance in the construction business environment. Sunarto and Budi’s (2009) research proved that jointly the variables of leverage, firm size and corporate growth affect the profitability of existing PDAM in Central Java Province. This result is indicated by the value of F statistic. On the other hand the partial influence of leverage and firm size variables affect the profitability, while the variable growth of the company does not affect the profitability of PDAM. Meidiyustiani (2016) research showed that working capital (working capital turnover) has no significant effect on profitability, firm size has a significant negative effect on profitability, firm growth has no effect on profitability, liquidity (current ratio) has a significant positive effect on profitability.

Sari and Abundanti’s (2013) research based on the analysis of company growth (growth) has a significant positive effect on profitability (ROA), company growth (positive) a significant effect on firm value (PBV), leverage (DAR) has a significant negative effect on profitability ROA), leverage (DAR) has a significant negative effect on firm value (PBV), and profitability (ROA) has positive and significant effect to firm value (PBV). Fauzi and Suhadak’s (2015) research indicated that dividend policy has a significant and negative effect on capital structure, corporate growth has a significant and negative effect on capital structure, dividend policy has a significant and positive impact on profitability, corporate growth has no significant effect on profitability, capital structure has a significant and negative effect on pofitability. Research conducted by Fadun (2013) the resulting findings reveal that Corporate Governance enhances the growth of insurance companies in Nigeria. Research by Ainul *et al.* (2016), shows that the premium does not affect the growth of company assets. Claims affect the growth of company assets. Underwriting results have no effect on the growth of company assets. Investment affects the growth of company assets.

3.4 Financial Perfomance

Michelberger (2013) says that some researchers state that corporate governance positively and significantly influence the financial performance while others claimed that there is no significant effect. The inconsistency of empirical research can be based on the size of the sample, short time period and the application of construction research is not a metric of financial research to measure company performance. Javaid and Saboor (2015) states that the Corporate Governance index (CGI) and the corporate performance have a positive and significant relationship. Okiro *et al.* (2015) revealed that there is a positive and significant relationship between Corporate Governance and company performance. This study also confirms that there is a positive and significant correlation between the effects of capital structure effects (leverage) on the relationship between Corporate Governance and firm performance. Stiglbauer (2010) proves that there is a significant positive relationship between transparency and disclosure of Corporate Governance with firm performance measured by market to book value of equity. Babatunde and Akeju's (2016) results of multiple regression analysis are statistically significant at 0.05 level. The findings of this study confirm that Corporate Governance mechanisms improve the profitability of firms in Nigeria.

3.5 Theoretical Review

3.5.1 Premium Growth

The premium growth represents the difference between the total gross premiums in the current year and the previous year compared to the total gross premiums in the previous year, as illustrated by the formula presented below:

$$\text{Premium growth} = \frac{(\text{Total net premiums of year-n}) - (\text{Total net premiums of year-n-1})}{(\text{Total net premiums of year-n-1})}$$

3.5.2 Concept of Risk Level

The risk level indicates the expected value of return on an investment, if the company is said to be at risk, when there is a sharp fluctuation in earnings levels and is unable to meet the expectations of investors (Ross *et al*., 2007).

3.5.3 Corporate Governance

According to Effendi (2016) Corporate Governance is a system that contains a set of rules governing the relationship between shareholders, managers (companies), creditor, government, employees and other internal and external stakeholders in relation to their rights and obligations or in other words, a system that regulates and controls the enterprise, with a view to raise value added for all stakeholders. The basic principles of Corporate Governance according to KNKG (National Committee on Corporate Governance Policy) are as follows:

A. Transparency; In carrying out its functions, all participants must submit material information in accordance with the actual substance and make the information accessible and easily understood by other interested parties.
B. Accountability; In carrying out its functions, every CG participant must be held accountable for the mandate received in accordance with the law, rules, moral and ethical standards, as well as the best practice accepted by the public.
C. Responsiveness; In carrying out its functions, every CG participant must be responsive and anticipative to requests or feedback from interested parties and to changes in the business world that have a significant effect on the company.
D. Independence; In performing its functions, every participant must be free from the interests of other parties that have the potential to create conflict of interest, and perform its functions in accordance with adequate competence.
E. Fairnes (Justice); In performing its functions, each participant treats the other on the basis of generally accepted provisions Board of Directors under the Limited Liability Company Law According to Article 1 in Law no. 40 of 2007 concerning Limited Liability Companies, that the board of directors is the organ of the company authorized and fully responsible for the management of the company for the benefit of the company in accordance with the intent and purpose of the company, as well as representing the company both inside and outside the court, in accordance with the provisions of the articles of association.

Commissioner, according to Limited Liability Company Law Act No. 40 of 2007 on Limited Liability Company (UUPT), regulates the duties and functions of the commissioners, among others: Article 1 point 2 states the institutional board of commissioners as one company organs, in addition to the GMS and corrections. Item 6 of the article explains that the board of commissioners is the organ of the company that has the duty to conduct general and / or special supervision in accordance with the articles of association and to advise the directors. Functions of Board of Directors and Board of Commissioners Board of directors serves to take care of the company, while the board of commissioners function to conduct supervision, while the independent commissioner serves as a balancing power in decision-making by the board of commissioners. Board of directors and board of commissioners are elected by shareholders in the GMS that represent the interests of the shareholders. The role of directors and commissioners is crucial and decisive for successful implementation of corporate governance. It requires full commitment from the board of directors and commissioners to make corporate governance implementation work smoothly and as expected.

3.5.4 Agency Theory

Agency theory explains the separation between management functions (by managers) and ownership functions (by shareholders) within a company. This agency relationship arises when one or more people hire someone else to provide services and then delegate authority to the agent. The purpose of managers and shareholders is to increase the value of the company through increasing shareholder wealth. However, managers often do not always act in the interests of shareholders or take action against the wishes of shareholders resulting in conflicts between corporate managers and their shareholders (Jensen and Meckling, 1976). The legitimacy theory is based on the idea that companies are bound by contracts with the communities in which the company operates. This theory states that the company seeks to ensure that its operations are still within the boundaries and norms of the society in its environment (Gray, 2004). The existence of a social contract between the company and the surrounding community requires the company to always be responsive to the existence of the environment and pay attention by conducting operations that are consistent with the value of the environment.

3.5.5 Financial performance

Gitman and Zutter (2015) stated that the financial performance is divided into profit performance and market value. Profit performance includes profit that can be measured financially which is the difference between income and expenses. For business units (branches), in addition to the costs incurred in the branch concerned, the cost calculation should include the portion of the head office costs allocated for the branch in question. There are several ways to measure probability. Return on Assets (ROA) and Return on Equity (ROE) as follows:

$$\text{Return on Assets (ROA)} = \frac{\text{Earning After Taxes}}{\text{Total Assets}}$$

ROA indicates a company's ability to use all of its assets to generate profit after tax. This ratio is important for management to evaluate the effectiveness and efficiency of the company's management in managing all the assets of the company. The higher the ROA, the more efficient the use of company assets or in other words with the same amount of assets can be generated greater profit and vice versa.

$$\text{Return on Equity (ROE)} = \frac{\text{Earning After Taxes}}{\text{Total Equity}}$$

ROE shows the company's ability to generate profits by using its own capital owned by the company. This ratio is important for the authorities to know the effectiveness and efficiency of the company's management. The higher the ROE, the more efficient the management of own capital conducted by the management.

3.5.6 Company Growth

Company growth is the company's ability to increase company size. Company growth on several factors namely external factors, internals, and local industry climate influences. Companies with high growth rates, in the case of utilizing, use capital as a source of financing so there is no agency cost (agency fee) between shareholders and management companies, otherwise companies with humble growth rates use debt as a source of financing due to debt usage. Mediocre flower company, a rapid growth company, the greater the need for funds for expansion, the greater the need for upcoming financing the greater the company's desire to withhold profit. So a growing company can no longer be used as a dividend but is better used for expansion. This growth potential can be measured. The greater the cost of R&D then there is the prospect of the company to grow (Sartono, 2012). Company growth can be measured in several ways, for example by looking at sales growth. This measurement can only see the company's growth from the company's marketing aspect only. Another measure is to look at the growth of the company's operating profit. Another measure of company growth is by measuring the amount of capital itself, by measuring the total assets of the nth year minus the total assets of the nth year divided by the total assets of the n-1 year.

$$\text{Company Growth} = \frac{(\text{Total assets of year n}) - (\text{Total assets of year n-1})}{(\text{Total assets of year n-1})}$$

4. Findings

The performance of each company not only plays a role to increase the market value of the company but also leads to growth of all sectors which ultimately increases overall economic prosperity (Mehari and Aemiro, 2013). Based on several theories that have been put forward in the previous section namely: the agency theory, proposed by Jensen and Meckling (1976) and Mao (2003), is a theory that explains the separation between management functions (by managers) and ownership functions (by shareholders) within a company. So in this case Corporate Governance is very important.

The legitimacy theory (Gray, 2004) supports the importance of corporate governance in firms. This theory is based on the idea that companies are bound by contracts with the communities in which the company operates. This theory states that the company seeks to ensure that its operations are still within the boundaries and norms of the society in its environment. Supported also by the opinion of Fadun (2013) who stated that the better the corporate governance, the higher the growth of the insurance company. Corporate governance has a positive and significant influence on financial performance because the basic principles of corporate governance have a purpose to provide progress to the financial performance of a company. The better the corporate governance in a company, the better the performance of the company (Javaid and Saboor, 2015).

The signal theory, proposed by (Desai 2004, and Bhattacharya *et al.*, 2012) also supports performance. The basis of this theory is that managers and shareholders do not have access to the same corporate information or the existence of information asymmetry. There is certain information known to the manager, while the shareholders do not know this information. As a result, when the company's funding policy changes, it brings information to shareholders that will bring the value of the company to change, in other words, a sign or signaling, so performance is critical.

The regulatory theory proposed by Godfrey *et al.* (2014) also supports the performance, that in general rules are made to safeguard the public interest of financial services users. Novy and Marx, (2013) stated that premium growth will improve the company's financial performance. Also supported by risk-level theory, presented by Ross *et al.* (2007) where the level of risk indicates the expected value of return on an investment. So the role of insurance including premium growth, is very important in risk borne by the company. The opinion of Sastrodiharjo and Sutama, (2015) also supports the importance of premium growth, which states that factors affecting the growth of non-sharia life insurance company assets in Indonesia are premium growth, capital growth, return, claims ratio, and type of capital. All these variables affect the growth of life insurance company assets. So premium growth is important for the growth of life insurance company assets. Also supported by Purnama Sari and Abundanti (2015) in their research entitled influence of corporate growth and leverage to profitability and value of the company stated that the growth of the company (positive) is significant and positive to profitability (ROA), in the sector of food and beverages listed companies in Indonesian Stock Exchange.

Yusof and Bakar (2012) stated that in the turbulent business environment the company develops slowly. The growth of the company affects the financial performance of the company. High growth of the company will increase the innovation and competitiveness of its workforce. As Sartono (2012) argues that the company in its life, not only requires a performance, but the growth of the company must always be the main concern. If the performance is too much allocation of money to the dividends, then the company's growth is slow. Therefore it should be balanced between the money distributed as a dividend with the money to be used to buy assets. If the growth of the company is good then the company's financial performance will be good too. So the growth of the company, in this case the growth of corporate assets, is very important.

Supported also by shareholder theory which is presented by Brigham and Ehrhardt (2008), the most fundamental responsibility of the directors is to act in the interest of increasing the value of shareholders. With the concept of value maximisation applied today will be able to improve the quality of life of most people in the world. To increase the value of the company's growth should be improved as well, so there will be a continuous increase in value. The above description can be summarized as follows: A company will be able to live its life if it has high performance precisely financial performance would be if the company has revenue or reception. In the insurance company the revenue is reflected by the total gross premium, or rather the premium growth. In addition to the growth of premiums, financial performance is also influenced by corporate governance. This is supported by Javaid and Saboor (2015) who state that corporate governance has a positive and significant impact on financial performance, corporate governance will improve the financial performance of a company. But this inconsistency still means there is still a research gap, as proposed by Purwani (2010) with the findings obtained that the implementation of corporate governance does not directly affect the company's performance. Premiun growth in influencing financial performance means that there are previous research results stating that there is no effect of premium growth with financial performance, as proposed by Mehari and Aermiro (2013) while Novy and Marx (2013) stated that the growth of premiums will improve the company's financial performance.

With the inconsistency between corporate governance variables to financial performance and premium growth variable to financial performance, the authors will put the growth of company asset as an intervening variable, because the higher the asset growth of the company the higher the company's financial performance, as stated by Yusof and Bakar (2012) which states that the company's growth will affect the company's financial performance. Factors affecting the growth of company assets, according to Sastrodiharjo and Sutama (2015), are the growth of premiums, capital growth, return, the ratio of claims, and the type of capital of all variables.

Fadun, (2013) states that if corporate governance is getting better then the growth of insurance companies will be better too. Each variable in a conceptual framework uses an elliptical form, this is because it is a latent variable in which data is used unobserved, on the SEM PLS model the number of constructor items / indicators can be measured by one or more indicators (Sholihin and Ratmono, 2013). The conceptual framework can be seen in Figure 4 below:

Figure 4. *Research Concept*

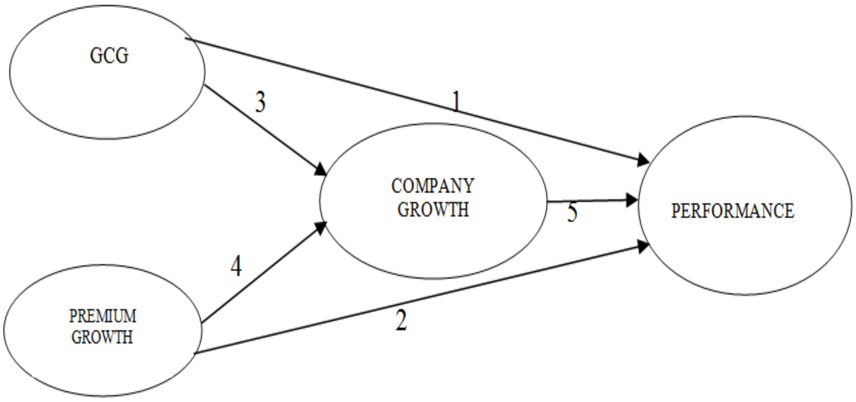


Figure 3.1. Research Concept

5. Conclusion

From the above we can draw conclusions with regard to research hypotheses. Based on the literature review both theoretical and empirical research results, this study has proposed hypotheses that generated empirical results as follows:
H1: More effective corporate governance will improve the financial performance of insurance companies in Indonesia.
H2: The higher premium growth will improve the financial performance of insurance companies in Indonesia
H3: More effective corporate governance will increase the asset growth of insurance companies in Indonesia.
H4: The higher premium growth will increase the asset growth of insurance companies in Indonesia.
H5: The higher asset growth of insurance company will improve the financial performance of insurance companies in Indonesia.
H6: Corporate growth in mediating the influence of corporate governance on financial performance of insurance companies in Indonesia.
H7: Corporate growth in mediating the effect of premium growth on financial performance of insurance companies in Indonesia.

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