

ABSTRACT

The company was established with the aim of increasing the value of the company's profitability so that it can provide prosperity to the owners or shareholders. One effort to achieve company goals is to maximize profits. To measure the profit level of a company, a profit ratio or profitability ratio is used. In addition, this ratio aims to measure the level of management effectiveness in conducting company operations. The performance of general insurance companies in the Indonesia Stock Exchange (IDX) has not experienced development until the third quarter of 2017. Of the 12 companies, there are eight companies that have decreased performance.

The purpose of this study was to analyze the effect of capital structure using a calculation of debt to equity ratio (DER), using liabilities, calculation of current ratio (CR) and activities using calculation of total asset turnover (TATO) on profitability using the calculation of return on equity (ROE), with using panel data regression analysis techniques in insurance sub-sector companies listed on the Stock Exchange for the period 2013-2017.

The population of this research is the insurance sub-sector companies that are listed on the Stock Exchange in the period 2013-2017. The sampling method uses purposive sampling method obtained by the number of sample units as many as 50 data with a total sample of 10 companies and a research period of 5 years. The data analysis technique uses panel data regression analysis and hypothesis testing using the T test and F test.

The test results obtained from this study partially capital structure has a significant effect on profitability, liquidity does not have a significant effect on profitability, and activity does not have a significant effect on profitability. Simultaneously capital structure, liquidity, and activity influence profitability.

Keywords: Capital Structure, Liquidity, Activities, Profitability