THE EFFECT OF RETURN ON EQUITY (ROE), DIVIDEND PAYOUT RATIO (DPR), RISK BASED CAPITAL (RBC), AND DEBT EQUITY RATIO (DER) ON COMPANY VALUE IN INSURANCE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) PERIOD 2016-2020

Visna Yuliana
Rindiany Fauzia
Rizka Nurmaulyna
Sarah Khairunnisa
Rapli Arialdi
Vincentia Wahju Widajatun

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***Visna Yuliana**, University of Widyatama Bandung.*
Email: visna.yuliana@widyatama.ac.id

***Rindiany Fauzia**, University of Widyatama Bandung.*
Email: rindiany.fauzia@widyatama.ac.id

***Rizka Nurmaulyna**, University of Widyatama Bandung.*
Email: rizka.nurmaulyna@widyatama.ac.id

***Sarah Khairunnisa**, University of Widyatama Bandung.*
Email: sarah.khairunnisa@widyatama.ac.id

***Rapli Arialdi**, University of Widyatama Bandung.*
Email: arialdi.rapli@widyatama.ac.id

***Vincentia Wahju Widajatun**, University of Widyatama Bandung.*
Email: vincentia.wahju@widyatama.ac.id

Abstract

Reason of this observe is to research the effect on firm price the usage of the ratio Price Book Value (PBV). The value of the enterprise in this situation the PBV ratio is one indication of a good organization if investors are willing to shop for stocks whose price is more steeply priced than the book value. The variables of this research are Return On Equity (ROE), Risk Based Capital (RBC), Dividend Payout Ratio (DPR), Debt to Equity Ratio (DER). Based totally on the purposive sampling approach, a sample of 6 companies was selected, with the criteria of insurance companies listed on the IDX in a row throughout the 2016-2020 period and insurance companies distributing dividends. In this study the data used is panel data. The source of this fact is acquired from the reputable website www.idx.co.id in the form of economic statements of coverage groups for 2016, 2017, 2018, 2019 and 2020 published on the Indonesia Stock change.

Based at the consequence of the observe, Return On Equity (ROE) has a high quality and full size effect on firm value in insurance companies indexed on the IDX. Dividend payout ratio (DPR) has a negative and insignificant effect on firm value in insurance companies listed on the IDX. Risk Based Capital (RBC) has a positive and huge impact on firm value in insurance bussiness indexed on the IDX. Debt to Equity Ratio (DER) has a negative and insignificant impact on firm value in insurance groups listed on the IDX.

Keywords: Return On Equity, Risk Based Capital, Dividend Payout Ratio, Debt to Equity Ratio, Firm Value

Introduction

During the Dutch colonial period, the insurance industry in Indonesia had developed even though it had stopped temporarily during the Japanese colonial period. The development of the insurance industry is due to the increasing awareness of the Indonesian people about the need for safeguarding against future uncertainties and misfortunes.

In an unstable state condition, it can cause anxiety in the community, because it can threaten the safety of people's lives and their property. For this reason, the role of insurance companies is very much needed in order to get safety guarantees.

The disclosure of the problems of large insurance companies in Indonesia that has attracted the attention of the public. Problems related to customer claims in the form of failure of insurance companies to pay customer claims have opened people's eyes to know more about insurance companies. In 2020, according to data from the Indonesian Life Insurance Association (AAJI), it turned into recorded that till the fourth area of 2020 the wide variety of customers or the insured fell 7.0% year on year (yoy) to 63.69 million humans. The decrease within the range of customers suggest a lover in the insurance company's income in the shape of client charges.

(https://www.cnbcindonesia.com/market/20200816100319-17-180132/kacau-gagal-pay-5-asuransi-ini-bikin-nasabah-teriak)

Investors will judge a good company, namely a company that has abundant sources that can be seen within the company's financial statements[1].. The value of the company in this case the PBV ratio is one indication of a good company if investors are willing to buy shares whose price is more expensive than the book value[2]..

You can see the PBV of insurance companies listed on the IDX. PBV fluctuates and there are several insurance companies whose PBV ratio is below 1, so the stock price is below its book value.

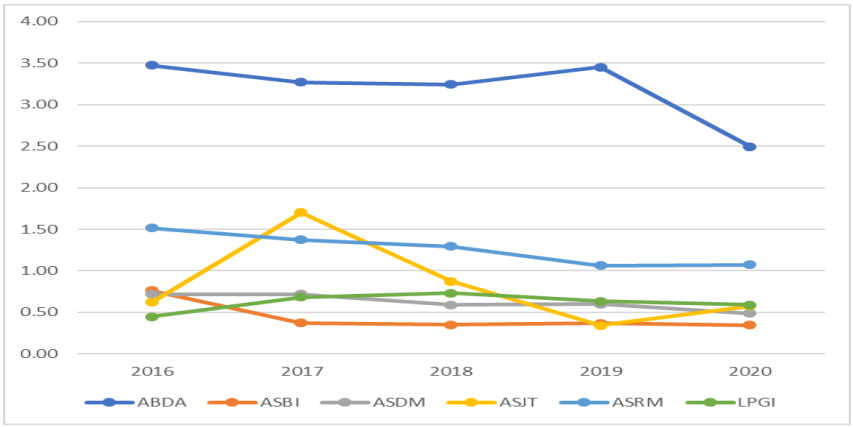


Figure 1. Price to Book Value of insurance companies for the period 2016-2020

Firm value is influenced by profitability. Profitability has a considerable fantastic effect on firm value. [3]. Insurance companies cannot be separated from the health of insurance companies as seen from the risk-based capital regulated in government regulations through the Decree of the Minister of Finance No. 424/KMK.06/2003 putting limits on solvency degrees to decide the level of Risk Based Capital (RBC) that need be completed by means of each insurance enterprise need be above 120%. However, one of the issues of buyers is the dividends obtained by menas of investors. Therefore, that dividend policy is one of the considerations of investors to decide their funding. Although the dividend coverage has no effect on firm value in the monetary sector[4-6]. The debt to equity ratio has a positive and significant effect on firm value[7, 8]..

Formulation of The problem

Based on the description that has been presented, the researcher sees the following problems:

1. Does Return On Equity (ROE) affect the company value of insurance companies listed on the Indonesia Stock Exchange for the 2016-2020 period?
2. Does the Dividend Payout Ratio (DPR) affect the company value of insurance companies listed on the Indonesia Stock Exchange for the 2016-2020 period?
3. Does Risk Based Capital (RBC) affect the firm value of insurance companies listed on the Indonesia Stock Exchange for the 2016-2020 period?
4. Does the Debt Equity Ratio (DER) affect the company value of insurance companies listed on the Indonesia Stock Exchange for the 2016-2020 period?

Literature Review

Profitability (Return On Equity)

Profitability is the company's capacity to generate net income from activities associated with income, total assets and capital (Equity). The profitability of a employer can be assessed in numerious methods relying at the profit from assets or capital compared to one another.

The higher the earnings generated via the company, it could be stated that the company has exact potentialities in the future. So that investors will supply a positive response to the company[9]. The better profitability ratios can have an effect on the price of the agency, due to the factin may offer insight to traders concerning the performance and effectiveness of the organization.on this take a look at, profitability is measured based on ROE (Return On Equity). Due to thee fact throught using using ROE, organizations can discover how efficiently the company will use the money they make investment to generate net income.

ROE is the company's potential to generate after-tax incme by way of using its very own capital according to [5, 10, 11]. ROE is a hallmark used by shareholders to measure the achievement in their enterprise. ROE objective to decide and measure the charge of return on personal capital from shares invested inside the organization through the amount of profits or profit generated through the company.

ROE may be known by means the subsequent formulation :

$$\text{ROE} = \frac{\text{Ebit}}{\text{Overall equity}}$$

Dividend Policy (Dividend Payout Ratio)

Dividend coverage is a matter of choices within the use of earning earned via the organization in a sure duration this is the right of the shareholders. Whether or not

the income will be distributed to shareholders within the form of dividends or retained for reinvestment. In addition to dividends which are a form of return, there are also capital gains that are expected by shareholders[2, 9].

Based on research conducted by[4, 12-14] Dividend policy is the distribution of profits given by the company issuing the shares for the profits generated by the company. Dividend policy in this study uses the dividend payout ratio (DPR). Dividend Payout Ratio is a percent of each rupiah generated alloted to owners in coins, calculated by means of dividing coins dividens in keeping with precentage through earnings in step with precentage.[8, 15].

DPR may be calculated by way of the subsequent method :

$$\text{DPR} = \frac{\text{Dividen per share}}{\text{Earnings per share}}$$

Solvency (Risk Based Capital)

Solvency is the present potential of the company itself to expands loans supplied with the aid of creditors both in the form of quick and long time.

The extent of the solvency ratio can also be a benchmark for the financial health of coverage groups which have been set through the authorities accroding with the Decree of the Minister of Finance (Decree of the Minister of Finance) No.11/PMK.010/2011 concerning the calculation of the solvency level using the Risk Based Capital (RBC) method (Article 31 paragraph 2)[1, 16, 17].

Risk Based Capital (RBC) is one of the techniques of measuring the Solvency degree restriction required by way of law in measuring the level of economic health of an coverage company to ensure the success of coverage and Reinsurance responsibilities throught understanding of the employer's capital requirements in accordance with the level of risk faced with the aid of the corporation in managing property and liabilities.

The minimum RBC requirement according to OJK, based on POJK No.71/POJK.05/2016 is 120%. The amount of free assets or assets remaining after the insurance company fulfills its minimum obligations is 120% of the value of the risk it faces. If the company's RBC value is less than 100% inside the closing year, the organization is declared to be experiencing economic problem and desires to undergo restructuring efforts. OJK has the right to request to increase the solvency level if deemed necessary, the company must meet the predetermined solvency target. Otherwise, the company is prohibited from paying dividends or providing any form of compensation to shareholders or other stakeholders.

$$\text{RBC} = \frac{Allowable\ wealth - Liability}{BTSM}$$

Capital Structure (Debt Equity Ratio)

Capital Structure according to[12, 13] defined as the ratio of debt and equity ratio to the employer's overall capital. The capital structure shows a company's sources of funding for assets in the form of a aggregate of debt and equity[18-20]. Meanwhile, equity capital can be divided into retained earnings and can be included in company ownership.

In research [1, 17] conducted in the United States, the elements that cloud affect the capital structure are size, profitability, tangible property, boom possibilities, tax feee, non-debt, tax guard.

The use of long-term debt with the use of own capital must be balanced, meaning that the amount of own capital and the amount of long-term debt that will be used can be optimal. With an optimal capital structure, the company will produce an optimal

rate of return so that not only the company makes a profit, but also the shareholders. Capital Structure is proxied by way of the dept to equity ratio (DER). Dept to equity ratio is a ratio used to measure the level of use of debt to the variety of shareholders owned via the employer.

The Debt to Equity Ratio is formulated by:

$$\text{DER} = \frac{\text{Total debt}}{\text{Total equity}}$$

The formula explains the ratio among the organization's debt and the corporation's very own capital. The higher the value generated by this DER, it indicates that the company's operational financing is increasingly using debt in its activities. This will make the tax prices received via the corporation will decrease so that the organization's efficiency is created.

Company Value (Price to Book Value)

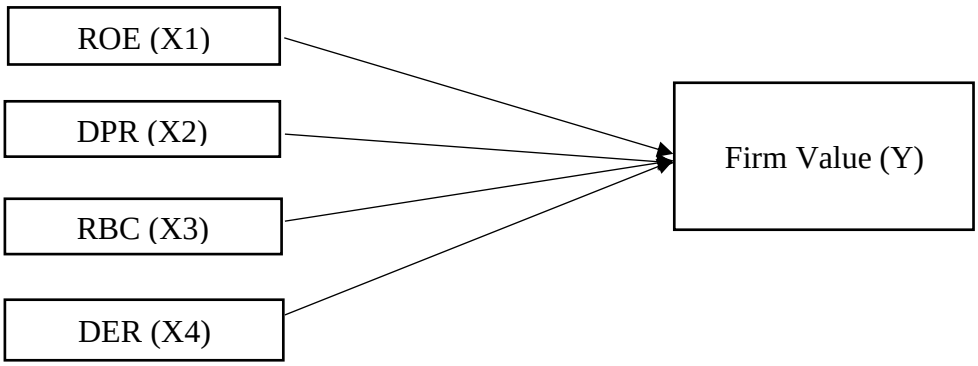
Company Value is seen based on stock prices, which provide an overview of investment opportunities (Denziana & Monica, 2016). The company's ability to create market price may be visible from the employer's value(P. Silitonga et al., 2019)then by knowing the level of the value of the company will provide information about investment opportunities for investors. This information will increase the demand for shares, so the inventory price increases which has an effect on increasing the value of the company. With a higher degree of enterprise fee, the welfare of the owner will be guaranteed(P. Silitonga et al., 2019). The development of PBV makes buyers believe within the enterprise's destiny potentialities. (Mulyana & Saputra, 2017).

Investors' perceptions of a company's profits and cash flows are linked to stock prices(P. Silitonga et al., 2019). The PBV ratio is used by investors in investing by comparing the stock price with book value(Wawan, Utomo. Rita, 2016). Companies that have a PBV ratio above 1 then this company has a good performance.

$$\text{PBV} = \frac{\text{Stock price}}{\text{Book value of equity}}$$

Theoretical Thinking Framework

To facilitate understanding of the influence of RBC, ROE, DER, DPR on firm value, it can be described as follows:



Hypothesis Framework

Effect of Return On Equity (ROE) on Firm Value (PBV)

In this examine, profitability is measured using ROE that is one of the profitability ratios calculated by comparing net income after tax with equity. According to previous research, the results obtained that ROE has a effective effect on company value, it will cause a positive relationship between ROE and the interest of buyers to invest inside the agency.

H1: Return On Equity (ROE) has a significant effect on firm value.

Effect of Dividend Payout Ratio (DPR) on Firm Value (PBV)

Dividends are used as a sign for the enterprise's prospects in the future. The dividend payout ratio is considered very important for investors because it's miles carefully related to the corporation's profit policy. Measurement or parameter of the amount of dividends to be distributed to shareholder[8, 15]. Dividend policy (DPR) has a positive and significant effect on Firm Value (PBV).

H2: Dividend Payout Ratio (DPR) has a significant effect on firm value in coverage companies indexed at the Indonesia Stock Exchange (IDX).

Effect of Risk Based Capital (RBC) on Firm Value (PBV)

The effect of Risk Based Capital (RBC) on enterprise Value (PBV) that with an RBC value above 200% or even increasing indicates that the company has been doing well in running its business and making a profit. This indicates the high cost of the business enterprise because the company can have a high RBC above the minimum required determination through the Financial Services Authority Regulation Number 69/POJK.05/2016 concerning the business operation of coverage companies, sharia insurance agencies, reinsurance corporations and sharia reinsurance organizations. According to research[16] Risk Based Capital has a high-quality and significant effect at the firm's firm value.

H3 : Risk Based Capital (DPR) has a significant effect on firm value in insurance companies listed on the Indonesia Stock Exchange (IDX).

Effect of Capital Structure (DER) on Firm Value (PBV)

Capital structure is an important issue for every company and will get special attention, because the company's financial position will be greatly influenced by the good or bad capital structure of the organization. The decrease the DER value, the better the company will be because it shows that the debt owned by the company is small, and conversely if the DER has a high value, it means that the assets funded by debt are large enough, so the company will find it increasingly difficult to obtain additional loan funds which are feared. The organization will not be capable of cover its money owed with its assets. Effective capital structure decisions can lower the company's cost of capital[4]. Debt to equity ratio is calculated from overall liabilities with equity. The higher this ratio describes the signs that are much less appropriate for the company. The use of relatively high debt will cause a fixed burden to be borne by the company, thereby reducing the company's profits and can lessen the value of the organization within the eyes of traders[15] so that the capital structure has a significant effect on firm value.

H4: Capital structure (DER) has a significant effect on firm value in insurance companies listed on the Indonesia Stock Exchange (IDX).

Research Methodology

Data Types And Data Sources

On this have a look at the information used is panel information. The source of this data is obtained from the official websitewww.idx.co.id in the form of financial statements of insurance companies for 2016, 2017, 2018, 2019 and 2020 published on the Indonesia Stock Exchange.

Object of Research

The item of this studies is records on ROE,DPR,RBC,DER received from the financial statements of insurance businesses indexed at the Indonesia Stock change (IDX) for the 2016-2020 duration.

Sampling and Population Techniques

The population used on this look at are coverage businesses indexed at the Indonesia Stock change for the 2016-2020 duration. Primarily based at the purposive sampling method, a sample of 6 companies turned into selected, with the criteria of insurance companies listed on the Stock Exchange in a row during the 2016-2020 duration and insurance companies distributing dividends. The company names are as follows:

Table 1

The Company Names

No	Code	Company Name
1	ABDA	PT. Insurance Bina Dana Arta tbk
2	ASBI	PT. Star Insurance tbk
3	ASDM	PT. Insurance Dayin Mitra tbk
4	ASJT	PT. Insurance Services Tania tbk
5	ASRM	PT. Ramayana Insurance tbk
6	LPGI	PT. Lippo General Insurance tbk

Method of Collecting Data

The data documentation method was used to collect data in this research. The process of recording and documenting data related to research, such as financial statement data collected from the IDX official website, is called as documentation data.

Table 2

Variable Operation

No	Variable	Draft	Indicator	Scale
1	ROE	ROE is ability of the corporation in generate after-tax earnings from its own capital. In accordance with (Hidayat, 2019)..	ROE = $\frac{Ebit}{Overall\ Equity}$	Ratio
2	DPR	Dividend Payout Ratio is a percentage of each rupiah generated distributed to owners in cash, derived by dividing cash dividends per share by earnings per share.(Wait et al., 2018).	DPR = $\frac{Dividen\ per\ share}{Earnings\ per\ share}$	Ratio
3	RBC	Risk Based Capital (RBC) is among the methods used to measure the Solvency Level Limit required by law in measuring the level of financial health of an insurance company to make sure the fulfillment of Insurance and Reinsurance obligations by identifying the amount of capital required for the company in accordance with the level of risk faced by companies in managing assets and liabilities.	RBC = $\frac{Allowable\ wealth - Liability}{BTSM}$	Ratio
4	DER	Debt to Asset Ratio is a ratio used to calculate how often debt has been used to finance a company's assets or how much debt affects asset financing. (Harry (2016).	DER = $\frac{Total\ amoun\ of\ debt}{Total\ Equity}$	Ratio
5	PBV	The PBV ratio is used by investors in making investments by comparing stock prices with book values (Utomo et al., 2016).	PBV = $\frac{Stock\ price}{Stock\ book\ value}$	Ratio

Data Analysis Method

Multiple linear regression with SPSS was used to analyze the data in this study. (Statistical Product and Service Solution) version 26. The data analysis consisting of descriptive statistical tests, classical assumption tests (normality test, autocorrelation test, multicollinearity test, and heteroscedasticity test) and hypothesis testing (t test, f test and coefficient of determination).

RESULTS OF ANALYSIS & DISCUSSION

Descriptive Statistics Test

Descriptive Statistical Test is used to provide general description of each research variable. Descriptive analysis provides a summary of data based on the maximum, minimum, mean, and standard deviation of each variable.

Table 3

Descriptive Statistics Results

	N	Minimum	Maximum	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistics	Statistics	Statistics	Statistics	Statistics	Statistics	Std. Error	Statistics	Std. Error
PBV	30	.34	3.48	.99616	.992	1,527	.427	1.053	.833
ROE	30	-.04	.20	.04646	.002	-.368	.427	1.482	.833
DPR	30	.00	10.50	1.86659	3.484	5.288	.427	28,546	.833
RBC	30	1.35	5.32	.95617	.914	1.137	.427	1,586	.833
DER	30	.75	3.69	.83709	.701	.596	.427	-.601	.833
Valid N (list wise)	30								

Based on the findings of this descriptive statistical test, the amount of data used can be explained as 30. The table describes the minimum, maximum, std deviation, variance, skewness, kurtosis values of each variable. The results of descriptive statistical tests during the period show that:

The minimum value of the PBV variable is 0.34 and the maximum is 3.48 while the standard deviation is 0.99616. The ROE variable get a minimum value of -0.04 and a maximum value of 0.20 with a standard deviation of 0.04646. The DPR variable has a minimum value of 0.00 and a maximum of 10.50 with a standard deviation of 1.86659. The RBC variable has a minimum value of 1.35 and a maximum value of 5.32 with a standard deviation of 0.95617. And the minimum value of the DER variable is 0.75 and the maximum value is 3.69 with a standard deviation of 0.83709.

Skewness and Kurtosis are tests to see if the data is normally distributed or not. Skewness measures the symmetry of the histogram while kurtosis measures the flatness or sharpness of the histogram. Data with normal distribution have Skewness and Kurtosis values close to zero. The results of the SPSS output display provide values for each .

The results of the SPSS output above show the number of respondents (N) is 30, from 30 respondents the smallest variable (minimum) is DPR, which is 0.00 and the largest variable (maximum) is DPR, which is 10.50. The ROE variable has a negative skewness and a positive kurtosis, meaning that the distribution is normal and tapered.

Classic Assumption Test

Normality Test

The normality test determines whether or not the residual value is normally distributed. A best regression model is the residue with normal distribution. Normality tests were not performed for each variable but for residual values. The purpose of the normality test is to determine whether or not the regression model, The residual or confounding variables have a normal distribution. Looking at the histogram graph is one way to see if the residuals are normal or by using the Klomogorov Smimov, which compares observed data to a distribution similar to a normal distribution.

H0 : residual data is normally distributed

HA: residual data is not normally distributed

If sig > 0.05 then H0 is accepted.

Table 4

One-Sample Kolnogorov-Smirnov Test

		Standardized Residual
N		30
Normal Parameters, b	Mean	0E-7
	Std. Deviation	.92847669
Most Extreme Differences	Absolute	.127
	Positive	.127
	Negative	-.061
Kolmogorov-Smirnov Z		.695
Asymp. Sig. (2-tailed)		.720

Based on the normality test results, the value of Kolmogorov-Smirnov Z becomes 0.695 with a significance of 0.720, indicating that the value (asymp. Sig. (2-tailed) 0.720 > 0.05) indicates that H0 is accepted and HA is accepted, indicating that data is normally distributed.

Multicollinearity Test

The multicollinearity test determines whether the regression model discovered a correlation between independent variables or independent variables. The tolerance value and the variance inflation factor (VIF) value can be used to determine the presence or absence of multicollinearity in the regression model under the following conditions::

1. Has a Tolerance number < 0.10
2. Have a VIF value > 10

Table 5

Multicollinearity Test

Model		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	-.427	.739			
	ROE	8,554	3.738	.399	.699	1.431
	DPR	-.031	.083	-.057	.886	1,129
	RBC	.536	.187	.514	.658	1,520
	DER	-.225	.236	-189	.539	1.856

a. Dependent Variable: PBV

The ROE variable has a Tolerance value of 0.699 > 0.10 and a VIF value of 1.431 10 as can be seen. The Tolerance value for the DPR variable is 0.886 > 0.10, and the VIF value is 1.129 10. The RBC variable has a Tolerance of 0.658 > 0.10 and a VIF of 1.520 10. The Tolerance value for the DER variable is 0.539 > 0.10, and the VIF value is 1.856 10. Each variable has a Tolerance value greater than 0.10 and a VIF value greater than 10. With as a result, the independent variable (X) does not exhibit multicollinearity symptoms.

Autocorrelation Test

Autocorrelation can arise because there are observations that are sequential and related to each other. A good regression model is a regression model that is free of autocorrelation. To detect the presence or absence of autocorrelation is to do a Run Test. If there is a high correlation or not between the residuals, then it must be tested using the Run Test. if the result of Asymp.Sig (2-tailed) < 0.05, it means that H0 is not accepted and Ha is accepted. If the result of Asymp.Sig (2-tailed) > 0.05, it means that H0 is accepted and Ha is not accepted.

Table 6

Autocorrelation Test

Runs Test	
	Unstandardized Residual
Test Value	.06975
Cases < Test Value	13
Cases >= Test Value	14
Total Cases	27
Number of Runs	10
Z	-1.565
Asymp. Sig. (2-tailed)	.118
a. median	

Table 6. Autocorrelation Test

The output above shows the value (Asymp. Sig. (2-tailed) of 0.118 > 0.05) which means that H0 is accepted and Ha is not accepted, and it is also concluded that there is no autocorrelation in the output above.

Heteroscedasticity Test

Heteroscedasticity test is to test the occurrence of variance inequality from error for all observations of each independent variable. To determine heteroscedasticity can use the Glejser test. With the provisions set as follows:

1. If the significance value is > 0.05 then there is no heteroscedasticity problem
2. If the significance value is < 0.05, there is a heteroscedasticity problem.

The heteroscedasticity test obtained resulted in the following:

Table 7

Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.033	.372		.089	.930
	ROE	2,570	1,884	.250	1.364	.185
	DPR	-.014	.042	-.054	-.332	.742
	RBC	.237	.094	.476	2.518	.019
	DER	-147	.119	-.258	-1,235	.228

In the calculation results above, the significance value of the ROE variable is 0.185 > 0.05, the DPR variable is 0.742 > 0.05, the RBC variable is 0.019 < 0.05 and

the DER variable is 0.228 > 0.05. Based on this, it can be concluded that between the independent variables in the regression model there is heteroscedasticity.

Hypothesis testing

T-Test Results (Partial)

The results of the t-test on statistics show how much influence one independent variable has individually in explaining the dependent variable. The partial test compares the value of (alpha) with the value of p-value, provided that:

1. If the p-value < (0.05) then H0 is not accepted, so it has a partial effect between the independent variable and the dependent variable.
2. If the p-value > (0.05) then H0 is accepted, so it has no partial effect between the independent variable and the dependent variable.

The results of the t test are obtained as follows:

Table 8

T-Test Results (Partial)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.427	.739		-.578	.568
	ROE	8,554	3.738	.399	2.289	.031
	DPR	-.031	.083	-.057	-.370	.714
	RBC	.536	.187	.514	2.863	.008
	DER	-.225	.236	-189	-.954	.349

a. Dependent Variable: PBV

Table 8. T-Test Results (Partial)

The calculation results show that ROE has a t value of 2.289 with a sig value. of 0.031 which means <0.05. This shows that ROE on firm value has a positive effect and that the first hypothesis is accepted. The result of the DPR calculation has a t-count value of -0.370 with a sig value. 0.714, which is greater than 0.05, this means that the DPR has no effect on firm value and it can be concluded that the second hypothesis is not accepted.

The results of the RBC calculation show that the t-count value is 2.863 with a sig value. of 0.008 which means <0.05. This means that RBC on firm value has a positive effect and that the third hypothesis is accepted. The fourth is the result of the DER calculation with a t value of -0.954 with a sig value. 0.349 which means > 0.05. This means that DER on firm value has no effect and that the fourth hypothesis is not accepted.

F Test Results (simultaneous)

The F statistical test is to see how the influence of all the independent variables simultaneously on the dependent variable, by comparing:

1. If the probability value of the F-statistic is greater than the significance level = 0.05, the independent variable simultaneously does not have a significant effect on the dependent variable.
2. If the probability value of the F-statistic is less than the significance level of = 0.05, the independent variable simultaneously has a significant effect on the dependent variable.

The results of the F test are obtained as follows:

Table 9

F Test Results (simultaneous)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13,507	4	3.377	5.528	.002b
	Residual	15,271	25	.611		
	Total	28,777	29			

a. Dependent Variable: PBV

b. Predictors: (Constant), DER, DPR, ROE, RBC

Table 9. F Test Results (simultaneous)

From the results of these calculations, that the simultaneous test produces a significance value of 0.002 which means it is smaller than 0.05, based on the provisions of the hypothesis, Ha is accepted and H0 is rejected. This means that the variables ROE, DPR, RBC, DER simultaneously or together have a significant influence on firm value.

Table 10

Coefficient of Determination Test (R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.685a	.469	.384	.78155	.894

a. Predictors: (Constant), DER, DPR, ROE, RBC
b. Dependent Variable: PBV

From the results of the calculation for the value of R2 with the SPSS program in multiple regression analysis, the coefficient of determination R2 is 0.469. This means 46.9% shows that the variation of changes in Firm Value can be explained by the variables ROE (X1), DPR (X2), RBC (X3), and DER (X4), the remaining 53.1% is explained or influenced by other factors. other factors outside the variables studied.

CONCLUSION

From the results of testing and discussion of the effect of Return On Equity (ROE), dividend payout ratio (DPR), Risk Based Capital (RBC) and Debt to Equity Ratio (DER) on firm value in insurance companies listed on the Indonesia Stock Exchange for the 2016-2016 period. 2020, it can be concluded several things as follows:

1. Return on Equity (ROE) on firm value in insurance companies listed on the IDX has a positive and significant effect, which means that any increase in ROE will be followed by an increase in firm value.
2. The dividend payout ratio (DPR) on company value in insurance companies listed on the IDX has a negative and insignificant effect, which means that every increase or decrease in DPR is not followed by an increase or decrease in company value.
3. Risk Based Capital (RBC) on company value in insurance companies listed on the IDX has a positive and significant effect, which means that every increase in RBC will be followed by an increase in company value.
4. Debt to Equity Ratio (DER) on company value in insurance companies listed on the IDX has a negative and insignificant effect, which means that any increase or decrease in DER is not followed by an increase or decrease in company value.

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