ABSTRACT

The purpose of this study is to know the influence of bancassurance on conventional insurance company's profitability (measured by Return on Equity) that implementing bancassurance in Indonesia. Company's size, leverage, CAR, and management efficiency be the measure of successful insurance companies that perform bancassurance, which later can affect its profitability.

This study will use conventional insurance company in Indonesia that implementing bancassurance as research object. We will use purposive sampling as sampling method, it means we determine sampling based on any criteria that fixed by us before. Hypotheses in this study are tested by descriptive statistics and data panel regression analysis method.

The result of statistical F test in this research shows that bancassurance affects profitability insignificantly, but if this research tested with control variable like size of company, leverage, CAR, and management efficiency, the result is become significant. Effect of bancassurance towards profitability, which is proxied by ROE, is become significant positive, according to the result of T-Parsial test.

Keyword : Bancassurance, profitability, Return on Equity, Return on Asset, size of company, leverage, CAR, management efficiency