

## **ABSTRACT**

*The focus of this research is the use of the Balanced Scorecard as a measure of business performance. This research examined the effect of service quality to Return On Assets (ROA) of life assurance companies in Indonesia with customer satisfaction and loyalty as intervening variables.*

*The determination of sample in this research was using purposive sampling method. Questionnaires from 125 customers of life assurance companies in Indonesia that qualify as samples analyzed by Structural Equation Modeling (SEM) Analysis in AMOS 16.0 program.*

*The results showed that: (1) customer loyalty is directly influenced by customer satisfaction and indirectly affected by the service quality; (2) service quality directly affects customer satisfaction and loyalty; (3) customer satisfaction directly affects customer loyalty; (4) there is not indirect effect of all the variables that are mediated by the variable customer loyalty. This research provides empirical evidence for policy makers and regulators to have a basic service procedures and good professionalism.*

*Keywords: Service Quality, Return On Assets (ROA), Customer Satisfaction, Customer Loyalty, Life Assurance Company.*