ANALYSIS OF THE EFFECT OF ROA, TATTO, AND FATO ON THE EFFICIENCY LEVEL OF SHARIA INSURANCE COMPANIES IN INDONESIA
2016-2018

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***Abstract -** This study aims to determine the results of the measurement analysis of the level of efficiency of Islamic insurance companies in Indonesia in managing assets. The total sample used in the study was 17 companies consisting of 51 observations during 2016-2018. The sampling technique in the research sample in this study used a purposive sampling method using 2016-2018 financial reports. The analysis method used in this research is panel data regression with Eviews 10. Based on the results of hypothesis testing with a real level of 5%, it is proven that partially return on assets has no effect on efficiency, while total asset turnover and fixed asset turnover have an effect on efficiency. Simultaneously, the variables return on assets, total assets turnover, and fixed assets turnover can be used to predict the level of efficiency.*

***Keywords:** : Return On Assets, Total Assets Turnover, Fixed Assets Turnover, Efficiency, Financial Report*

***Abstrak–** This study aims to determine the results of the measurement analysis of the level of efficiency of Islamic insurance companies in Indonesia in managing assets. The total sample used in the study was 17 companies consisting of 51 observations during 2016-2018. The sampling technique in the research sample in this study used a purposive sampling method using 2016-2018 financial reports. The analysis method used in this research is panel data regression with Eviews 10. Based on the results of hypothesis testing with a real level of 5%, it is proven that partially return on assets has no effect on efficiency, while total asset turnover and fixed asset turnover have an effect on efficiency. Simultaneously, the variables return on assets, total assets turnover, and fixed assets turnover can be used to predict the level of efficiency*

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I. Introduction

The development and progress of a company can be known through the company's financial statements. Financial reports according to cashmere (2017: 7) are reports that show the company's current financial condition or within a certain period. Financial reports provide information needed by interested parties. The parties considered are internal and external parties (investors), interested parties (stakeholders) must know the company's financial condition to be able to assess the company's performance.

The financial condition can be seen from the information in the company's financial statements, which consists of balance sheets, income statements, changes in equity, and cash flow reports. Financial reports alone cannot provide precise and accurate information before a performance analysis of financial statements is carried out. So that we need a further analysis tool regarding the financial ratios in the company's financial statements. Good company performance can help management in making policies and achieving company goals.

An overview of the financial position can be found by analyzing financial statements. The balance sheet reflects the value of assets, debt, and capital in a certain period, while the income statement reflects the costs, revenues and profit and loss of the company achieved in a certain period. Analysis of financial data from years ago was carried out to determine the weaknesses of its performance and to evaluate the results that were considered good enough. The results of the analysis of financial statements will be able to help interpret various key relationships and trends that can provide a basis for consideration of the potential success of the company in the future. Measurement of financial performance is the ability of a company to use its own capital effectively and efficiently (Munawir, 2011: 50). Financial performance appraisal also serves to demonstrate to. investors or the general public that the company has good credibility.

Financial performance is the result of financial reporting based on predetermined financial standards. Financial performance analysis is a critical review process of data review, calculating, measuring, interpreting, and providing solutions to company finances in a certain period (Agung, 2012: 6). According to PSAK No. 16 revised 2011, assets are all assets owned by a person or company, both tangible and intangible, which are valuable or valuable, which will benefit that person or company. The function of using assets includes planning and controlling the use of assets. So that the assets that are embedded in each of these asset elements on the one hand are not too small in number, so that they do not interfere with liquidity and business continuity, and on the other hand, they are not too large in number so that there are no idle assets.

The insurance sector plays an important role in a service-based economy. Acting as a financial intermediary institution that has been integrated into the wider financial industry (Malik, 2011). Speaking of insurance, Allah has ordered humans to be able to prepare provisions (protection) for future interests so that all negative things in the form of calamities, accidents, fires or deaths can be minimized. This has been exemplified by Prophet Yusuf (Surah Yusuf: 46-49) when he made the dream of the King of Egypt about

seven fat cows being eaten by seven skinny cows who gave lessons so that humans would prepare to face difficult times.

Efficiency is an indicator measure of the success of an activity which is assessed based on the number of resources used to achieve a planned or desired result. Efficiency is indeed one of the most popular performance parameters, but it is not enough just efficiency to be used as a performance parameter of an insurance. The efficiency of an insurance must be followed by good risk management, so that it can get maximum benefits, besides that insurance is also required to be able to control existing risks. Efficiency is an important thing in an industry or company. Measurement of efficiency in the insurance industry, both conventional and sharia, is also an urgent matter to see that there is intense competition in the Indonesian insurance industry.

This Activity Ratio or Efficiency Ratio is very useful for Company Management to improve and enhance the company's performance. For Investors and Creditors, this Activity Ratio is very useful to assess and measure the efficiency and profitability of the company concerned. This is because this activity ratio will go hand in hand with the profitability ratio. When a company is more efficient with its resources, it will tend to be a profitable company or a company that has high profitability. Fixed assets are used by the company to support the company's operational activities. Fixed assets consist of two types, namely tangible fixed assets and intangible fixed assets. Tangible fixed assets have a physical form and their usage has a relatively long time span.

RESEARCH PURPOSES

Do ROA, Fixed Assets Turnover (FATO) and Total Assets Turnover (TATO) affect the level of efficiency in Islamic insurance companies.

LITERATURE REVIEW

1. Definition of Financial Statements

The financial statements present fairly on the financial position, financial performance and cash flows of the entity. Fair presentation requires fair presentation of the effects of transactions, other events and conditions in accordance with the definitions and criteria for recognizing assets, liabilities, income and expenses that are set out in the framework for preparing and presenting financial statements. Entities whose financial statements have complied with Indonesian GAAP make an explicit statement without exception regarding compliance with Indonesian GAAP in the notes to the financial statements. Entities cannot describe that the financial statements have complied with all the requirements in SAK (IAI, 2015).

2. Definition of Efficiency

Regulation of the Permendagri in Nasur (2014) Efficiency is that the maximum number of outputs has been achieved with certain inputs or in the use of the lowest inputs to achieve certain outputs, meaning that in making future decisions a design or plan must be made to achieve what is intended by minimal funds but can produce maximum fruit. Efficiency is how to work to get as many and best results as possible with the smallest possible sacrifice (Pulungan, 2013: 80). What is meant is that by spending a small amount of capital, the results or benefits will be greater than the input.

3. The Relationship Between Research Variables

In the relationship between variables with other variables, if we look closely, they have a relationship that is mutually related to one another. The main purpose of the relationship between variables is to find the relationship between variables. Meanwhile, the data obtained from the field are elements that state whether these variables have a relationship or not.

3.1 The relationship between Return On Assets and efficiency

Return On Asset (ROA) or return on assets, that in some other references this ratio is also written as the Return On Investment (ROI) This ratio looks at the extent to which the investment that has been invested is able to provide returns as expected and the investment is actually the same as the company's assets. that is implanted or placed. (Munawir, 2010). According to Kasmir (2014: 201), Return On Assets is a ratio that shows the results of the total assets used in the company. A similar statement was conveyed by Fahmi (2012: 98), Return On Assets sees the extent to which the investment that has been invested is able to provide returns as expected and the investment is actually the same as the company's assets invested or placed. According to Kasmir (2012: 203), explains that what affects Return on Assets (ROA) is the return on investment or what is known as Return on Assets (ROA) which is influenced by net profit margins and total asset turnover because if ROA is low it is caused by low profit margins caused by low net profit margins which is caused by the low turnover of total assets. According to Kurniasih and Sari (2011: 58), Return on Assets (ROA) is an indicator that reflects the company's financial performance, the higher the ROA value, the better the company's performance. Companies with a large ROA will attract investors to invest their funds into the company. This is because a large ROA will show that the company's performance in generating profits is getting better, and vice versa, if the company has a small ROA, the company's stock performance will be bad. ROA is used to measure the effectiveness of a company in generating profits by utilizing its assets.

From the explanation above, it can be concluded that, if the ROA of a small company, the management of the company has problems in managing company resources that are still related to ROA, so that the company experiences inefficiency. However, the greater the ROA, the more efficient asset management is and the company's performance and management are good in managing resources in the company.

H1: Return on assets has a significant effect on the efficiency of Islamic companies.

3.2 The relationship between Total Asset Turnover Ratio and efficiency

Total Asset Turnover Ratio or Total Asset Turnover Ratio is an activity ratio (efficiency ratio) that measures a company's ability to generate sales from its total assets by comparing net sales to average total assets. Meanwhile, the definition of Asset Turnover according to the dictionary of Bank Indonesia is a ratio to measure the ability of company assets to generate revenue; the faster the company's assets rotate, the greater the company's revenue. In other words, this ratio shows how efficiently the company can use its assets to generate sales. Total Asset Turnover is also often referred to as the Total Asset Turnover (Total Activa Turnover) or simply referred to as Asset Turnover. According to Hanafi (2009: 78), the total asset turnover ratio measures the extent to which a company's ability to generate sales is based on the total assets owned by the company. This asset turnover ratio is used for how efficiently a company uses its assets to generate sales. This means that the higher the ratio, the more efficiently the company uses its assets to generate sales. On the other hand, a low Asset Turnover Ratio indicates that management is less efficient in using its assets and the possibility of management or production problems.

A value of 1 in this ratio means that its net sales are equal to the average total assets for the year. In other words, the company has generated 1 rupiah of sales for every rupiah invested in its assets. It should be noted that, just like other financial analysis ratios, this Asset Turnover Ratio also varies by industry. There are Industries that can manage and use their assets very efficiently, there are also certain industries that are not can use it efficiently. Therefore, this asset turnover ratio should

be used to compare the industries engaged in the same field. It can be concluded that the Total Asset Turnover Ratio has a relationship with company efficiency.

H2: Total Assets turnover has a significant effect on the efficiency of Islamic insurance companies.

3. 3 The relationship between Fixed Assets Turnover and efficiency

Activity Ratios or often referred to as Efficiency Ratios are a type of Financial Ratio analysis that measures how effectively companies use their assets to generate income. In other words, the Activity Ratio or Efficiency Ratio measures the ability of a business to convert various types of assets or non-cash assets into cash. Companies that can quickly convert their assets into cash or sales, the more efficient their performance will be. Company Value Analysis of Activity Ratios or Efficiency Ratios will be more meaningful when compared to similar industries. This is because industries of different types or industries engaged in different fields will have different activity ratios as well. For example, a company that is engaged in trading daily necessities (rice, sugar, oil, salt, etc.) must have different assets and inventories from a company that sells oil and gas commodities. This Activity Ratio or Efficiency Ratio is very useful for Company Management to improve and enhance the company's performance. For Investors and Creditors, this Activity Ratio is very useful to assess and measure the efficiency and profitability of the company concerned.

This is because this activity ratio will go hand in hand with the profitability ratio. When a company is more efficient with its resources, it will tend to be a profitable company or a company that has high profitability. It can be concluded with the explanation above that the activity ratio or Fixed Assets Turnover has a relationship with company efficiency.

H3: Fixed Assets Turnover has a significant effect on the efficiency of Islamic insurance companies.

4. Hypothesis Development

Hypotheses are temporary income or conclusions. This hypothesis can be tested for truth through analyzing and researching the hypothesis that it can have a positive or negative effect. It depends on the variable being tested. In this study the authors raised the following hypothesis:

H1: Return On Assets Has a significant effect on the efficiency of Islamic insurance companies.

H2: Total Assets turnover does not have a significant effect on the efficiency of Islamic insurance companies.

H3: Fixed Assets turnover has a significant effect on the efficiency of Islamic insurance companies

RESEARCH METHOD

1. Research Strategy

Research strategy is a guideline that can be used as a form of treatment to be carried out with the aim of realizing each process in this research. The research design is a planning structure for data analysis, measurement and collection based on research questions from the study (Sekran and Bougie, 2017: 109). The research method is the scientific way of a researcher to obtain data with research use, where the data in the study must be valid because it is to show the degree of accuracy between the data that actually occurs on the object and the data that the researcher can collect (Sugiyono, 2017: 2).

The research strategy used is descriptive statistics with a quantitative causality approach which aims to determine the causal relationship between the independent variables (ROA, total asset turnover, and total fixed assets turnover) and the dependent variable (efficiency). The method used is the quantitative method of causality using the EVIEWS 10 statistical program software.

2. Research population

According to Lubis (2018: 19) states that the population is the entire object of research where the object can consist of test scores, symptoms, plants, animals, humans, objects and events that can be used as data sources that have certain characteristics found in research. According to Firdaus and Zamzam (2018: 99) which states that the research population is a group of data and subjects with certain characteristics.

According to Lubis (2018: 19) A finite population or limited population is a population that has a clear number limit because it has clear and special characteristics that can be distinguished from other objects. population is a generalization area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to study and draw conclusions (Sugiyono, 2017: 2015). The pupils in this study are 52 sharia insurance companies in Indonesia that are registered with the Financial Services Authority (OJK).

3. Research Sample

According to Sugiyono (2017: 215) The sample is part of the number and characteristics of the population. In this research sample using purposive sampling technique or method. Sanusi (2014: 95) Purposive sampling technique is a way of taking samples based on certain considerations.

The criteria for researchers in sampling by purposive sampling in the study are as follows:

1. Sharia insurance company registered with the Financial Services Authority which consistently publishes annual financial reports for the period ended 31 December 2016-2018.

2. Sharia insurance companies that publish complete financial reports and have good data completeness for research.

4. Data and Data Collection Methods

Data collection techniques are an important thing in a study, if the data is invalid data then the results are not in accordance with what was tested in the study. In this case, modern technology is increasingly becoming an important matter for determining data collection methods (Sekaran and Bougie, 2017). In this study, data collection was taken by utilizing the following:

A. Literature study

The data used in this study are the results of searching and collecting data from various literature, in the form of books, published historical reports, scientific journals, and Internet research.

B. Documentary Studies

In this study, secondary data is used in the form of audited financial statement data on sharia insurance companies registered with the Financial Services Authority (OJK) for the 2016-2018 period. The data was obtained from the website of the Financial Services Authority (www.ojk.co.id) as well as the download site (www.bps.go.id), and the official website or website of the sharia insurance company.

5. Operationalization of Variables

Research variables are anything that takes various forms with the provisions of the researcher to be studied so as to get information about this, then formed in a conclusion (Sugiyono, 2016: 38). Variable operationalization is usually used to explain a measurement method associated with the variables in a study. In this study, there are independent variables and dependent variables where the independent variable (X) is return on assets (ROA), total asset turnover, and total fixed assets turnover, for the dependent variable (Y) is efficiency.

5.1 Dependent Variables

According to Sugiyono (2016: 39) the dependent variable (Y) is a variable that becomes a cause and effect due to the presence of an independent variable or variables that are influenced by the independent. The dependent variable in this study is company efficiency. According to Emerson (2016) company efficiency is the optimal success achieved even though with limited materials. It can be said that efficiency is an effort to achieve goals to be maximally achieved even with limited capabilities. In practice, the company carries out its operational activities by using the technique of how a limited resource that exists in the company but gets good returns in asset management so that it can be said that the company is efficient.

5.2 Independent Variables

According to Sugiyono (2016: 39) the independent variable (x) is a variable that can be the cause of the emergence of the dependent variable or which can affect the dependent variable. The independent variables in this study are:

➢ **Profitability (ROA)**

Profitability is the ratio used to describe a company in getting profit through all existing capabilities such as sales activities, cash, number of employees and others (Kasmir, 2014).

➢ **Activity Ratio**

According to Sartono (2011: 114), activity ratio is a tool to measure the efficiency of a company in using assets to obtain results from its activities.

A. Total Asset Turn Over (TATO)

According to Lukman Syamsuddin (2011: 62), Total Asset Turnover is the level of efficiency in the use of all company assets in producing a certain sales volume. The definition of Total Asset Turn Over (TATO) according to Brigham and Houston (2010: 139), is a ratio that measures the turnover of all company assets, and is calculated by dividing sales by total assets. Furthermore, according to J.P. Sitanggang (2014: 27), total asset turnover (Assets Turnover or Total Assets Turn Over – ATO or TATO) is a ratio that measures how all assets owned by a company are operationalized in support of company sales.

B. Fixed Asset Turn Over (FATO)

Is the ratio between activities (income) and net fixed assets. This ratio is a measure of a company using its fixed assets such as buildings, vehicles, machines and office equipment. Formula used

6. Data Analysis Methods

6.1 Descriptive Statistical Analysis

Descriptive statistics are the procedures used to summarize and present sample or population data (Neolaka 2014, 7). Data presentation in this descriptive statistical analysis through tables / lists, pictures, and diagrams / graphs. The size or central tendency is in the form of: mean, median, mode. The size or distribution tendency is in the form of: range, deviation / deviation, standard deviation and variance (Neolaka 2014, 39).

6.2 Panel Data Regression Analysis Method

To find the relationship between the variables covered in this study, the authors used quantitative data analysis using panel data regression method. Panel data is data collected by cross section and followed for a certain period of time. Panel data technique is by combining cross section and time series data types (Ratmono et al, 2013: 231). The software used in this research is Econometric Views (Eviews) version 10 and in classifying the required data.

researchers using Microsoft Excel. According to Ratmono et al (2013: 231) There are several advantages of using panel data as follows:

1. By combining a Time series and cross section data, panel data will provide more informative, more varied data, lower levels of collinearity between variables, greater degree of freedom and more efficiency.

2. By analyzing the cross section data in several periods, the panel data is appropriate in studying the dynamics of the data. which means, it can be used to obtain information on how the condition of individuals at a certain time is compared to their condition at other times.

3. Panel data can detect and measure unobservable effects through pure tume series and pure cross section data.

4. Panel data can minimize bias generated by individual aggregations due to multiple observation units.

1. Panel data is able to accommodate the level of heterogeneity of individuals who are not observed, but it can affect the results of modeling. This cannot be done by time series or cross section, so it can cause the results obtained through these two studies to be biased.

With these advantages, in implication there is no need to test classic assumptions in the panel data model (Shrochrul et al., 2011). Given that panel data is a combination of cross section data and time series.

6.3 Panel Data Regression Estimates

According to Ghozali et al, (2013: 251) that there are three approaches to estimating panel data regression, as follows:

1. Common Effect Model (CEM)

Common Effect Model is a simple model for estimating the parameters of the panel data model by only combining time series and cross section data without seeing any differences between time and individuals (entities). With the approach he uses is the Ordinary Least Square (OLS) method as the technical estimate. The Common Effect Model ignores the differences in individual dimensions and time or in other words, the data between individuals is the same in various time periods (Ghozali, et al 2013: 251).

2. Fixed Effect Model (FEM)

The Fixed Effect Model is a model that shows the existence of different interceptions for each individual (entity), but the individual intercept does not vary with time (constant). So, the fixed effect model assumes that the slope coefficient does not vary with individual or time. The approach used is the Ordinary Least Square (OLS) method as the technical estimation. The advantages possessed by this method are that it can distinguish individual effects and time effects and this method does not need to use the assumption that the error component is not correlated with the independent variable (Ghozali et al, 2013: 261).

3. Random Effect Model (REM)

The Random Effect Model is a method that will estimate panel data where the error terms may be interrelated between individuals (entities) (Agus, 2015: 359). This model assumes that the error term will always exist and may be correlated across time series and cross sections. The approach used is the generalized least square (GLS) method as the technical estimation. This method is better used for panel data if the number of individuals is greater than the number of time periods (Gujarati and Porter, 2012: 602).

6.4 Panel Data Regression Model Selection Test

According to Gujarati and Porter (2012: 360) selecting a model or estimation technique to test the regression equation to be estimated can be used three tests, namely the Chow test, the Hausman test, and the Lagrange Multiplier test as follows:

A. Chow test

Ghazali and Ratmono (2013: 269) the chow test is a test that is done to choose a good approach between the fixed effect model (FEM) and the common effect model (CEM).

B. Hausman Test

According to Ghazali and Ratmono (2013: 289) the Hausman test aims to choose whether the model used is the Fixed Effect Model (FEM) or the Random Effect Model (REM). From the results of this test, it can be seen whether the Fixed Effect Model is better than the Random Effect Model (REM). The basis for decision making is as follows:

- ➢ If the probability value for random cross section> a significant value of 0.05 then H0 is accepted, so the appropriate model is used, namely the Random Effect Model (REM).
- ➢ If the probability value for random cross section <0.05 significant value then H0 is rejected, so the most appropriate model to use is the Fixed Effect Model (FEM).

C. Lagrange Multiplier Test

According to Gujarati and Porter (2012: 481), the Lagrange multiplier test is a test used to select the best approach between the Common Effect Model (CEM) and the Random Effect Model (REM) in estimating panel data. The Random Effect Model (REM) developed by Breusch-pagan was used to test the significance based on the residual value of the OLS method. According to Gujarati and Porter (2012: 481) the basis for decision making is as follows:

- ➢ If the value of the Breusch-Pagan cross section> a significant value of 0.05 then H0 is accepted, so the most appropriate model to use is the Common Effect Model (CEM).
- ➢ If the value of the Breusch-Pagan cross section <a significant value of 0.05, then H0 is rejected, so the most appropriate model to use is the Random Effect Model (REM).

D. Hypothesis Testing Model

The Hypothesis Testing Model in this study is to use a panel data regression composed of several individuals for several periods which creates new disturbances between the cross section data and the time series, where panel data regression is able to detect and measure unobservable effects through pure data. time series or pure data croos section. According to Ghazali and Ratmono (2013: 232) by analyzing cross sectio data in several periods, panel data is appropriate for use in dynamic change research.

7. Hypothesis Testing

7.1 Simultaneous Test (Test F)

The F test is used to test whether the regression model used can be used to predict the effect of the independent variable on the dependent variable together. Hypothesis testing using the F distribution with a significant level of a = 5%, then the testing criteria with the F test are:

- ➢ If the probability value> 0.05 then H0 = accepted and Ha = rejected, and it means that together all independent variables do not have a simultaneous and significant effect on the dependent variable.
- ➢ If the probability value <0.05 then H0 is rejected and Ha is accepted, it means that together the independent variable has a simultaneous and significant effect on the dependent variable.

7.2 Test of the coefficient of determination (R2)

According to Ghozali and Imam (2016: 95) the coefficient of determination test is used to measure how far the model's ability to explain variations in the dependent variable. The coefficient of determination is between zero and one ($0 \leq R2 \leq 1$). The small R2 value means that the ability of the independent variables to explain the dependent variation is very limited. A value close to one means that the independent variables provide almost all the information needed to predict the variation in the dependent variable. The fundamental weakness of the use of a coefficient of determination is the refraction of the number of independent variables included in the model. Each additional one independent variable, where the value of R2 must increase regardless of whether the variable has a significant effect on the dependent variable (Ghozali and Imam, 2016: 95), while according to Gujarati and Porter (2012: 493) (R2) is used when the independent variable is just one or so often called simple linear regression. Meanwhile, adjusted R2 is used when the independent variable is more than one.

7.3 Partial Test (t test)

According to Ghozali and Imam (2016: 97) the t test can be used to determine the effect of independent variables on the dependent variable individually (partially). The t test is used with a significant level of 0.05 and compares the calculated t value with the t table value. According to (Ghozali and Imam, 2016: 97) the basis for decision making is as follows:

- ➢ If the probability value <0.05 and the value of t count> t table, then H0 is rejected. It means that it can be concluded that the independent variable individually (partially) affects the dependent variable.

> If the probability value> 0.05 and the t value <table, then H0 is accepted. It means that the independent variable individually (partially) does not affect the dependent variable.

RESULTS AND DISCUSSION

1. General Description of Research Data

The object in this study is a company engaged in the insurance industry sub-sector with sharia principles that is registered with the Financial Services Authority in 2016-2018.

2. Discussion

I. Effect of Return On Assets on Efficiency

Return On Assets is used as a basic measuring tool for the profit of Sharia insurance in the return on assets because Return On Assets can provide information about the efficiency of Islamic insurance being run and show how much profit is generated on average from its assets (Vireyto and Sulasmiyati, 2016). In this case, the results of the regression study of the Return On Assets variable obtained t count of 0.878277 and a significance of 0.3843.The t value <t table or 0.878277 <2.011741 and the significance value of 0.3843> 0.05, these results indicate that the Return On Assets variable has no effect on efficiency.

The results of research conducted by researchers can be interpreted that Return on Assets does not affect the efficiency of Islamic insurance companies registered with the financial services authority in 2016 - 2018. Profitability on assets or Return on Assets (ROA), which is calculating the company's ability to earn profits or returns assets invested from all the capital the company operates (Aditya, 2019). Return on Assets (ROA), often referred to as Return on Investment (ROI), is a profitability ratio that is used as a measure of the effectiveness and efficiency of a company in generating profits by utilizing its assets, from this explanation theoretically Return on Assets should have an effect on efficiency, but the results of research conducted get the opposite results.

In this study, there were 17 companies that were the research samples and among the companies studied there were minus Return on Assets results in the calculation of the profitability ratio analysis (ROA) among these companies, namely, PT. BRI Life Insurance unit sharia, PT. Sonwelis Takaful, PT. Asuransi Jiwa Syariah Amanah Jiwa Giri Artha, PT. Mitra Abadi Syariah Life Insurance, which is a factor in the decline in the value of Return on Assets which is the cause of the decline in the efficiency of Islamic insurance companies in Indonesia. So that we can further discuss that company assets that have a high Return on Assets value do not always get high efficiency, and vice versa. This condition can be assumed that the low value of the Return on Assets variable indicates a problem in asset management and is an indicator of the Islamic insurance company in investing or its operational activities are inefficient in using company assets, especially cash and cash equivalents, but if the value of Return on High assets will not necessarily assume that the value of efficiency will also be high and there are also internal and external factors that affect Return on Assets and efficiency. This can occur due to the lack of management effectiveness in managing its assets so that it is inefficient or it is possible that the company mostly consists of debt.

The results of this study were supported by Lestari (2016) who concluded that the Return on Assets variable did not significantly influence the efficiency of the company and was contrary to the research of Syardiana, Rodoni, and Putri which concluded that Return On Assets had a significant positive effect on efficiency. The results of this study indicate that the Return on Assets variable has a significant level of influence and does not influence it because there are internal and external factors. So that management needs to reconsider investing in planning strategies and calculations by looking at surrounding factors. Return On Assets is an important measuring tool for company management because it provides information on the extent to which the company has an impact on the returns on an asset that was sacrificed in investment and operational activities.

The results of this study indicate that the Return on Assets variable does not have a significant effect because there are internal and external factors. So that management needs to reconsider investing

with a good planning and calculation strategy by looking at the surrounding factors. Return On Assets is an important measuring tool for company management because it provides information on the extent to which the company has an impact on the returns on an asset that was sacrificed in investment and operational activities. Return On Assets is used as a basic measuring tool for the profit of Sharia Insurance in the return on assets because Return On Assets can provide information about the efficiency of Islamic insurance being run and show how much profit is generated on average from its assets (Vireyto and Sulasmiyati, 2016). The results of this study are not in line with the results of research stated by Khaduri and Muda (2014) which state that Return on Assets has an influence on profit growth (efficiency) and the same results are also stated by Khidmat and Rehmad (2014) which state that ROA affects company performance (efficiency). However, Rianto stated a different matter, which stated that ROA had no effect on stock returns (efficiency).

II.   Effect of Total Assets Turnover on Efficiency

Based on the results of the regression research, the total assets turnover variable obtained t count of 612.9444 and a significance of 0.0000. The value of t count> t table or 612.9444> 2.011741 and the significance value of 0.0000 <0.05, these results indicate that the total assets turnover variable has a significant effect on efficiency. This means that the higher the value of the total assets turnover variable, the higher the efficiency value and the lower the variable value of the total assets turnover, the lower the efficiency of the Islamic insurance companies registered with the Financial Services Authority in 2016 - 2018.

According to Munawir (2010: 240), asset turnover is a ratio to assess the company's ability to carry out daily activities or the company's ability to sell, collect accounts receivable and utilize its assets. Activity ratios show how the company is able to generate income or rupiah generated during a period based on its assets (Anawi & Wijaya 2015: 25). The activity ratio is an indicator to measure the effectiveness and efficiency of a company in using its assets (Kasmir 2012: 172). Total Assets Turnover is a ratio that can be used as an indicator of measuring the turnover of all assets owned by the company and measuring how much income is obtained from each rupiah of assets (Aditya, 2019). Total Assets Turnover is the ratio between sales and total assets that measures the efficiency of the use of overall assets (Aditya, 2019). If this ratio is too low, it is an indication that the company is operating at a sufficient volume for its investment capacity (Aditya, 2019). The activity ratio is measured / proxied by total assets turnover (TATO). High ratios usually indicate good management indicators, on the other hand, low ratios make management evaluate its capital expenditure (investment) strategy (Aditya, 2019). Company assets that have high total asset turnover get high efficiency or asset turnover, and vice versa. . This condition can be assumed that the high total assets turnover variable indicates the efficiency of the company which is getting better in achieving asset turnover in a certain period. Therefore, the company's ability to use assets, as well as having a high rate of asset turnover, makes the company more efficient, effective and productive. Sharia insurance companies will gain the trust of clients and there will be many investors who will finance sharia insurance companies. The results of this study are supported by Rani (2015) which states that total asset turnover has a significant effect on efficiency.

The results of this study indicate that the total assets turnover variable can be used as a consideration for investors to invest their capital and for clients, if they are going to make a claim on Tabbaru funds', it will be very fast in liquidity. The results of this study are a sign for the company to continue to increase the total asset turnover value so as to achieve the level of investment returns from operating activities. This makes the management of Islamic insurance companies to continue to focus and think about planning strategies to increase investment returns from operating activities.Company assets that have high total asset turnover get high efficiency or asset turnover, and vice versa. This condition can be assumed that the high total assets turnover variable indicates the company's performance is getting better in achieving asset turnover in a certain period. Therefore, the company's ability to use assets, as well as having a high rate of asset turnover, makes the company more efficient, effective and productive. Sharia insurance companies will gain the trust of clients and there

will be many investors who will finance sharia insurance companies. The results of this study are in line with R. Adisetiawan (2014) which states that TATO affects profit growth (efficiency), and the same thing is stated by Rehman, Khan, and Khokhar (2014) which states that TATO has an effect on net profit margin (efficiency).

The results of this study indicate that the total assets turnover variable can be used as a consideration for investors to invest their capital and for clients, if they are going to make a claim on Tabbaru funds', it will be very fast in liquidity. The results of this study are a sign for the company to continue to increase the total asset turnover value so as to achieve the level of investment returns from operating activities. Total assets turnover is used as a measuring tool for the comparison between income and total assets of a company which explains the turnover speed of total assets in a certain period. This makes the management of Islamic insurance companies to continue to focus and think about planning strategies to increase investment returns from operating activities.

III. Effect of Fixed Assets Turnover on Efficiency

Based on the results of the regression research, the variable fixed assets turnover obtained a t count of -2.187313 and a significance of 0.0337. The value of t count> t table or -2.187313> 2.011741 and the significance value of 0.0337 <0.05, these results indicate that the variable fixed assets turnover has a significant negative effect on efficiency. This means that the higher the value of the total assets turnover variable, the higher the efficiency value and the lower the variable value of the total assets turnover, the lower the efficiency of the Islamic insurance companies registered with the Financial Services Authority in 2016 - 2018. Fixed assets turnover is a comparison between income and fixed asset value. Fixed assets turnover measures the effectiveness of using funds that are embedded in fixed assets such as buildings and equipment, in order to generate income, or in the form of rupiah net income generated by each rupiah invested in fixed assets (Dandi and Agung, 2017). Company assets that have high fixed asset turnover get high efficiency or turnover of fixed assets, and vice versa. This condition can be assumed that the high fixed asset turnover variable indicates the company's performance is getting better in generating income or in the form of rupiah net income that is embedded in its fixed assets for a certain period. Therefore, it measures the effectiveness of using funds that are embedded in fixed assets such as buildings and equipment in order to get net income from sharia insurance companies.

Fixed asset turnover has an effect but in a negative direction which will be supported by several factors such as the useful mass of fixed assets that has been depleted but is still in operation, there has been no upgrade of fixed assets by buying new fixed assets, and it could also be due to financing factors in maintaining fixed assets. The results of this study are supported by Andi (2012) which states that fixed asset turnover has an effect on efficiency, although in Andi's research it is not explained whether the direction is negative or positive. Fixed assets turnover is a comparison between income and fixed asset value. Fixed assets turnover measures the effectiveness of using funds that are embedded in fixed assets such as buildings and equipment, in order to generate income, or in the form of rupiah net income generated by each rupiah invested in fixed assets (Dandi and Agung, 2017). The results of this study should make management continues to upgrade its fixed assets so that they continue to be productive and generate income or rupiah.

IV. Effect of ROA, TATO and FATO on Efficiency

Based on the results of regression research with the simultaneous test, it states that ROA, TATO and FATO on efficiency are accepted. This shows that the value of t is greater than the value of t table (t count> t table) (153546.9> 2.802355). While the probability value is smaller than the significance level (prob <0.05) (0.000000 <0.05). Because simultaneously the value of investment income and premium income has an influence on efficiency. This shows that ROA, TATO, and FATO together (simultaneously) have an effect on efficiency.

CONCLUSIONS AND SUGGESTIONS

1. Conclusion

- Based on the research results that return on assets has no significant effect on efficiency. Because of these results, we can interpret that the level of Return On Assets does not affect the efficiency of the Islamic insurance company.
- Based on the research results that total assets turnover has an effect on efficiency. This means that the higher the value of the total assets turnover variable will increase the value of efficiency and the lower the variable value of total assets turnover will reduce the efficiency of Islamic insurance companies.
- Based on the research results, Fixed assets turnover has an effect on efficiency. This means that the higher the value of the fixed asset turnover variable will increase the efficiency value and the lower the variable value of the fixed asset turnover will reduce the efficiency of Islamic insurance companies.

2. Suggestions

The suggestions that can be conveyed by researchers for further research are as follows:

- Increase the number of samples by using all companies registered with the Financial Services Authority to increase the accuracy and accuracy of the research results obtained.
- Adding independent variables that have not been used such as solvency variables, break event points and employee performance, etc. which can affect efficiency.
- Examine efficiency problems with different time periods and with different methods
- Assessing efficiency issues is not limited to sharia insurance companies, but can compare between sharia insurance companies and conventional insurance companies to see how efficient the sharia insurance company or conventional insurance company is.

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